



OVERSEAS NEWS

Recruit scandal moves nearer to Nakasone

By Ian Rodger in Tokyo

THIS INVESTIGATION into the Recruit political finance scandal moved a step closer to Japan's leading politicians yesterday, as officials from the Tokyo District Public Prosecutor's Office interviewed aides of Mr Yasuhiro Nakasone...

US demands stall talks with Japan on FSX fighter project

By Nancy Dunne in Washington and Ian Rodger in Tokyo

TALKS on the US-Japanese FSX fighter aircraft, a project to develop an advanced F-16 jet, have stalled over US demands for controls on export of new technology and for a guaranteed share of the production...

W German union deal on S Africa workers

By David Goodhart in Bonn

THE West German trade union IGM Metall has signed a breakthrough agreement with the three main German car makers operating in South Africa...

Some of these points were already accepted in practice by the German car companies and other foreign employers, but Daimler-Benz has sacked workers during disputes and IGM Metall says it is important to have the new rights more formally established...

Lafontaine likely to run for Chancellor

MR Oskar Lafontaine, a leading West German Social Democrat, is now likely to seek the party's nomination as its candidate for Chancellor next year...

Mitterrand expected to meet Arafat

PRESIDENT Francois Mitterrand of France is almost certain to meet Mr Yasir Arafat, the Palestine Liberation Organisation leader, in Cairo early next month...

In a French translation provided by the radio station, he said Egyptian President Hosni Mubarak and Jordan's King Hussein might join the talks after the two men held a private meeting...

Fahd visit will heal Arab wounds

Tony Walker looks behind the Saudi ruler's planned trip to Cairo

WHEN King Fahd of Saudi Arabia arrives in Cairo in the next few days at the start of a long-delayed visit, more than the usual symbolism will be attached to this highly significant diplomatic event...

King Fahd's visit means the Saudis wish to shift their relationship with Egypt on to a higher plane, at a moment when the Arab world is engaged in a reassessment of various options available to it at the beginning of a new US administration...

It has also not been overlooked in Cairo that Saudi Arabia has a seat on the IMF board. Egypt is engaged in difficult negotiations with the IMF on a new reform package...

partners - Qatar and the United Arab Emirates - withdrew in 1978 after Egypt's peace with Israel. This left \$700m in capital frozen in blocked European bank accounts...

Telecoms chief held in Greece

By Adriana Ierodiakonou in Athens

THE GENERAL director of Greece's state-controlled Hellenic Telecommunications Organisation (OTE), Mr Theophanis Tobras, yesterday became the third head of a Greek public sector corporation to be arrested on fraud charges connected to the Koutouzes banking scandal...

Completion of Start nuclear treaty 'at least two years off'

By Lionel Barber in Washington

A US-Soviet Start treaty reducing the superpowers' strategic nuclear arsenals by 50 per cent is at least two years away, senior Bush Administration officials have told a visiting British Labour Party defence delegation...

China gives Tibetan casualty toll

CHINA said yesterday that more than 600 people were killed or injured in 21 outbreaks of separatist violence in Tibet over the past 18 months, Reuters reports from Peking...

US to ease computer export controls

By Nancy Dunne in Washington

THE US Commerce Department has announced that it is implementing an agreement reached with its allies which allows for a moderate easing of export controls on personal computers and other technology sold to Communist bloc nations...

Higher minimum wage approved

THE US House of Representatives on Tuesday passed a bill approved by President Bush and approved a \$1.30 an hour rise in the minimum wage to \$4.55 by 1992, writes Nancy Dunne...

Italian public spending cuts

The Italian Government, amid signs of a rise in inflation and a flagging of investor confidence in Treasury bills, has approved a L12,000bn (€5bn) package of measures designed to increase revenues and make cuts in public spending, writes Alan Friedman from Milan...

HK inflation passes 10%

Hong Kong's inflation rate moved into double digits for the first time since 1984 in February, with figures from the Census and Statistics Department showing that the consumer price index rose by 10.5 per cent over the same period in 1988, writes Michael Murray...

French foreign trade deficit down

France's foreign trade deficit shrank to FF950bn (€146m) in February, after seasonal adjustments, customs authorities announced yesterday. This compares with a deficit of FF1,000bn in January, George Graham writes from Paris...

Eastern examiner to be appointed

The court presiding over the bankruptcy of Eastern Air Lines has ordered the appointment of an examiner with wide powers to seek a reconciliation between Eastern and management and get the stricken airline flying again, James Buchan reports from New York...

Hungary heading for multi-party system, Gorbachev told

MR Karolyi Grösz, the Hungarian Communist Party leader, told Soviet President Mikhail Gorbachev here yesterday that Hungary was set on a path towards a multi-party system, Quentin Peel reports from Moscow...

At the same time, he insisted that he and the Soviet leader did not differ on a single question - including evaluation of the Soviet invasion of Hungary in 1956, now under a joint reassessment...

"We believe that, in Hungary, we are witnessing a process of a small nation and able to move more rapidly in reforming. As for the issue of neutrality, Mr Grösz talked of Hungary's 'urge for neutrality', but said it could only come when both Nato and the Warsaw Pact had been dismantled...

As for the issue of neutrality, Mr Grösz talked of Hungary's 'urge for neutrality', but said it could only come when both Nato and the Warsaw Pact had been dismantled - a point on which 'we had a complete unanimity of views'...

Budapest exchange tiptoes back to life

John Lloyd looks at the revival of share trading in Hungary after 40 years

MR BELA JANCOSO made a little deal this week. He bought 50,000 forint-worth (€540) of shares in Novotrade, a computer trading company and a rising stock...

It was the last deal of the session in the Budapest stock exchange, on one of the most active days since it opened last year. Some 20 people sitting round a table in a modern conference room had made 15 deals between 10.10 and 10.40 on Tuesday morning...

He made a living in the 'free' sector until 1982, when his freedom was ended; he then took a job in a scientific research establishment, where he stayed until March last year, when Mr Andras Laszlo, one of Budapest's few entrepreneurs, founded a brokerage company, and offered him a job...

Foreign companies - US, West European, Japanese - are showing some interest. A US company is talking of listing itself. The exchange may never again issue shares depicting hussars lounging over miners, but Mr Jancoso may yet trade in coal shares again, before he hangs up his Japanese calculator...

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COMPANY NOTICES

NOTICE OF PREPAYMENT TO NOTEHOLDERS OF REPUBLIC OF FINLAND FF 700,000,000 Floating Rate Notes due 1994

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OVERSEAS NEWS

Making it hard for bemused electors

By Quentin Peel in Moscow

ORGANISERS of the Soviet elections tomorrow have not made it easy for the bemused electors.

It is the first time in decades that Soviet voters have actually had to write anything on the ballot paper. Hitherto, they only had to put the unmarked ballot in the ballot box.

Instead of a simple cross against the voter's choice, or a list of preferences, the Soviet voters are being asked to cross out all those they do NOT want. In Moscow's Gagarin constituency, they will have to cross out 11 names to leave just one.

The whole system was spelt out yesterday in Izvestia, the government paper, suddenly aware that it was all unfamiliar to the participants. Ballot papers will be considered spoiled unless one name is left un-crossed-out except where electors have only one candidate to choose. There they may cross out the solitary name as a vote against.

It is an open question just how many electors will dare to do that, especially when the candidate is someone like Mr

Vladimir Shcherbitsky, the Ukraine party leader, or Mr Vitaly Vorotnikov, the president of the Russian Federation; the only two Politburo members facing the ordinary electors, but both unopposed.

Voting will last from 7am to 8pm, complicated by the fact that clocks have to be changed on Sunday morning - every where except in the Baltic republics of Estonia, Latvia and Lithuania. There they are exercising their first flush of sovereignty, by refusing to change the time.

Just when the count takes place depends on the local electoral commission, usually made up of local party dignitaries.

But the counting is supposed to be done at each polling station, and most are expected to be closed by 10pm. Results are written onto an official form, which is then sent into the district electoral commission, where they are added up. Then another form is submitted to the central electoral commission.

That is where delays seem set to occur. But many district



Soviet Elections

commissions are expected to announce results themselves.

Fears of ballot rigging have been voiced in the Soviet press, because the law only requires that results be published within 10 days of the poll.

Another suspicion is over the printing of 200,000 extra ballot papers in Moscow - about three per cent of the 6.5m electorate. They are supposed to be for voters staying in the capital on official business.

The way the system has been organised means there may have to be a considerable number of repeated polls, wherever no single candidate has won more than 50 per cent. That seems inevitable in seats where there are four or more candidates.

There are 953 seats with two candidates, 384 with only one, 109 with three candidates, 27 with four, 13 with five, and only 14 seats with six or more candidates.

Another challenge to the system has been launched in Armenia, scene of more than a year of nationalist demonstrations.

There, supporters of the nationalist Karabakh committee have urged voters to boycott the poll as a protest against the members of the 11 committee - members on charges of incitement.

A suspicion that the figures will be padded, as officials now admit they have been in the past, means that all the Armenian protesters are being urged to keep their voting slips to prove they did not go to the polls.

All eyes will be on contestants pledged to reform the system

By James Blitz in Moscow

NO OVERALL result will emerge from the Soviet election because there is no overall contest between separate parties. The Communist Party is certain to remain dominant after an election in which it is fielding about 85 per cent of the candidates.

However, several constituencies have contests where the candidates include people committed to reform of the system. Those are the ones most worth watching.

All eyes will be on Estonia, Latvia and Lithuania, where independent Popular Front groups, with programmes that envisage substantial sovereignty for the three Baltic republics, are competing against party candidates in most seats. Many party officials can expect to be defeated, although in many cases their rivals will be party members.

Even in the Baltic republics, the Communist Party is certain to remain dominant after an election in which it is fielding about 85 per cent of the candidates.

There, Mr Juris Dobelis of the Popular Front is challenging Mr Jan Vagris, First Secretary of the party in the republic. A win for Mr Dobelis would be a significant blow to the party's standing in the Latvia.

In Moscow, the fight between Mr Boris Yeltsin, sacked as party chief in the city, and Mr Yevgeny Brakov, director of the city's car factory, will attract most attention.

One of the most interesting local seats, though, is No. 6 (Voroshilov), where the dissident historian, Mr Roy Medvedev, is running against five other candidates. In the Brezhnev years, he was able to build an international reputation as one of the leading theoreticians of the reform of socialism.

Super-parliament candidates spring a few surprises

By Quentin Peel

ALMOST one-third of the deputies for the Soviet Union's new super-parliament - the Congress of People's Deputies - will have to be elected before the polls open tomorrow.

They are the representatives of the country's "social organisations", and their names read like a Who's Who of the Soviet establishment.

Yet, despite the election looking carefully pre-ordained, from the moment the Communist Party Central Committee proposed only 100 candidates for the 100 seats it was allocated, it has produced more surprises than expected.

Most dramatic was the rebellion this week of the rank-and-file members of the Soviet Academy of Scientists, who refused to endorse most names presented because they did not include that of Dr Andrei Sakharov, the nuclear physicist and human rights campaigner, nor a string of other reformers.

Now a new meeting will have to be held to fill 12 vacancies for the 20 seats supposed to have been filled.

Furious debates have also broken out in many organisations that need to be conservative, such as the Union of Writers, where grievances surfaced in the election campaign. The result has been a mixed bag of dignitaries winning through to sit in the new Congress when it convenes next month (one presumes).

Some outspoken supporters of perestroika have failed to be elected - such as Mikhail Shatrov, the playwright, the journalist Mr Alexander Bovin and Mr Otto Lehto, an economist, such as Mr Adel Agamdagyan, an academician.

Yet the deputies from the Communist Party, and other establishment organisations, have included reformers who might well not have been popular with those voters.

The 760 "organisation deputies" will bring to the parliament a flavour of conservatism for the first time, as a cautious counter-balance to the dominance of the Communist Party. The majority - almost 80 per cent - is made up of party members, but most deputies have been mandated to fight for the specific interests of their respective organisations.

A question remains over how many of the new deputies, most with full-time professional occupations, are seriously prepared to become full-time politicians.

The Congress will only sit for a couple of days a year, to consider broad constitutional issues and elect the real parliament, the bicameral Supreme Soviet. That organisation is supposed to have two sittings a year - in spring and autumn.

Each lasting three to four months, as a rule.

Dr Svyatoslav Fyodorov, an eye surgeon, and one of the best-known citizens in the Soviet Union, is one of the golden 100 list of deputies elected by the Central Committee. He has clear views on economic policy, and passionately supports President Mikhail Gorbachev's reform programme.

He has radical views on the need for an overhaul of the public health service, on per-

using party connections to jump the queue for local housing. As a result, party officials tried to exclude her from the final list of candidates.

After huge local protests on her behalf, she is now fighting four other candidates and is thought to have a good chance of winning.

The Zhikomir race is one of the few in the Ukraine not completely rigged by the republic's Communist Party. Most of the Ukrainian party leaders are standing unopposed, including Mr Vladimir Shcherbitsky, the one remainder from the Brezhnev era in the Gorbachev politburo.

It will be interesting to see whether the Ukraine's electorate protests at the choice on offer by failing to turn out to vote tomorrow, or by putting a line through all the names on constituency ballot papers.

In Georgia, a man to watch is Mr Akh Bakradze, who is standing in a National Territorial constituency. Offering a programme of substantial sovereignty for the republic, he is the only candidate in Georgia supported by the informal groups outside the party.

He should, win easily, and a huge majority might consolidate his position as an alternative voice for the republic's party to reckon with.

Two candidates in Uzbekistan have strong programmes for reform. Dr Timur Usmanov and Dr Timur Yunusov are standing on a variety of issues, including control of the KGB by the Supreme Soviet and implementation of the rule of law throughout the USSR.

Any list of outspoken candidates will be incomplete at this stage. When the Congress meets, we will discover if elected delegates are seriously committed to reform.

Mr Sageliev lists other examples of tough reporting: "Our programme Towards the Elections recently revealed that a woman was selected as a candidate for a seat in the Ukraine, despite huge local support."

"We filmed militiamen holding their supporters to hold a meeting. Thanks to the programme, we now recognised a local candidate."

The Vremya chief aims to mix traditional deference to the party with some criticism of the Soviet establishment.

"But I am very worried that the party will be criticised by the people. For example, yesterday we put out a story that several party officials in Uzbekistan were arrested for corruption. I was concerned that the news would do the party excessive damage. We can't forget that the new situation we are living in depends entirely on the party's activity."

There is little attempt by television to encourage real debate among the candidates.

Meet the Candidates, for instance, brings the handful of contenders from each constituency to the studio. The complete simply goes round the table asking each candidate one question and moving on to the next.

Even so, candidates do fight the occasional flame.

This week's young party official began his opening remarks on Meet the Candidates by looking straight at the camera and announcing his commitment to multi-party elections.

Glasnost slow to crack TV screen

By James Blitz

WHILE US campaign managers devise "sound bites" - fleeting moments of rhetoric aimed at the evening news - Soviet television producers have to digest something more like "sound walls".

The Politburo's speeches are consumed and televised uncut and uninterrupted.

"We are not run by the Politburo," says Mr Edvard Sageliev, head of News and Current Affairs at Soviet Television.

"I believe that Politburo members have a right to select the parts of a speech they want shown."

This often means the entire speech.

Vremya (Time), the main news programme, has an audience of about 200 million. Its political influence is colossal.

That may explain why few of the controversial candidates have ever been seen on it.

For example, in recent days there has been uproar at the Academy of Sciences over the initial omission from its list of candidates of Dr Andrei Sakharov - but he has not been filmed or mentioned once on Vremya this week.

"Well, Sakharov was not one of the candidates standing this reform," says Sageliev. "I myself believe that he should have been allowed to stand in the election, and it is a great pity he was not."

Mr Boris Yeltsin, former party chief in Moscow, has been allowed to appear on Vremya in the campaign, despite the huge demonstrations in his favour.

But Soviet television has filtered some controversial issues into its programmes. The most popular programme by far, Vedyay (Viewpoint), mixes serious discussion with pop videos satirising the bad old days of stagnation.

Mr Sageliev lists other examples of tough reporting: "Our programme Towards the Elections recently revealed that a woman was selected as a candidate for a seat in the Ukraine, despite huge local support."

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Broker's debts hit Norwegian bank

By Nick Bunker

SR BANK, a small Norwegian financial institution, looks like being the main casualty of the collapse of E.J. Collins, the London stockbroker, who emerged at a creditors' meeting that the Stavanger-based bank could lose all of the £2m it lent to Collins.

Collins went into liquidation on March 14 with a deficit of about £3.5m on his books, according to Mr David Morgan, the liquidator, who is an insolvency partner with accountants Spicer & Oppenheimer. Collins was then "hammered" (declared in default) by the Stock Exchange.

Problems at Collins stemmed from bad debts of between £270,000 and £1,150,000. They were run up by six clients last September and October, when Collins had a capital base of just £750,000, Mr Morgan told creditors meeting in London on Thursday.

It also emerged that the Collins collapse has left its clients holding £600,000 in bounced cheques, while total liabilities to clients total £1,495,000. A statement of affairs drawn up by Mr Morgan suggests that former clients should receive

all their money back. Mr Morgan declined to give a precise indication of how long it might take.

One problem is that Collins may have mixed up clients' money with his own funds rather than keeping them completely separate, as stockbrokers are legally expected to do. Mr Morgan said it appeared that some of the bounced cheques had been made out from the company's general funds, rather than its clients' account.

Collins had about 2,000 unsettled bargains when it collapsed, but these were being sorted out by Stock Exchange officials so that market makers could settle them directly, Mr Morgan said.

His figures show that Collins has realisable assets of £2.25m, against debts of £2.1m to creditors other than SR Bank, which is owed a further £2m. However, since SR Bank's loans were subordinated, Mr Morgan said that it was "right at the back of the list" for a share of the assets.

SR Bank was "going to lose most, I assure you," he said. The Securities Association,

the stockbrokers' investor protection watchdog, came under fire at the meeting for not spotting the Collins problems sooner.

Mr John Baird, a director of Cobbold Roach, another stockbroker, said £2m had evaporated from the Collins books "in very short order," in spite of the Securities Association's monitoring of liquidity.

Cobbold Roach has taken on about 5,000 Collins clients, but said Mr Baird: "The whole panoply of investor protection has done very little to help them."

A hundred Collins clients who attended the 90-minute meeting heard how problems started at Collins after it was taken over in May 1986 by a group of Norwegian banks and some family trusts controlled by Mr Harold Hamerton-Stove, a Norwegian banker living in England.

Originally, a small private-client based company, with only 12 employees, Collins then began to be transformed into the advanced Norwegian venture with ambitions to drum up business for Scandinavian institutions.

In June 1988, it bought the private client side of another London broker, T.C. Corbiss - then invested heavily in computer systems and expanded to 90 staff, Mr Morgan said.

This expansion was supported by a £1m three-year subordinated loan from SR Bank, made at the time of the Corbiss acquisition. In October 1988, though, a new managing director became concerned by the level of overdue debts and their implications for the capital it had to maintain to meet TSA requirements.

Mr Morgan said SR Bank lent Collins a further £200,000 on December 29 last year, but after the new managing director went to see The Securities Association to explain the position, Collins was issued with an order demanding a restoration of capital adequacy.

Mr Morgan said that on March 8, when TSA gave Collins until March 10 to come up with another £1m in equity, SR Bank offered the money, but when Norway's Securities Commission blocked the scheme, The Securities Association moved in ordering Collins to stop trading.

Courtaulds to shed nearly 400 jobs as restructuring continues

By Alice Rawsthorn

COURTAULDS, the chemicals and textiles group, is continuing the restructuring of its UK textile interests with nearly 400 redundancies at three of its clothing companies in the east Midlands.

The group is closing the Meridian sportswear factory in Derby with the loss of 150 jobs. The factory makes T-shirts and track suits. Mr Martin Taylor, director responsible for textiles, said the company made use of products that were vulnerable to competition from low-cost imports.

Courtaulds also announced 150 job losses at the Meridian men's underwear factory in Bolsover, Derbyshire, and 54 redundancies at the Symington lingerie plant in Peterborough. The closure of four factories in Lancashire, according to Mr Taylor, said these factories had suffered from weak demand.

For the past year Courtaulds, like the rest of the UK textile industry, has operated in intensely competitive conditions. The industry has been hit by the parallel problems of increasing imports and erratic demand.

The strength of the pound has fuelled a rapid rise in textile and clothing imports from south-east Asia. This has not only eroded the market share of UK manufacturers but has imposed intense pressure on profitability. The uncertain outlook for consumer spending has ensured that retailers have been cautious in placing orders.

Courtaulds has been forced to cut costs by closing plants and shedding labour. Earlier this month it announced the closure of four factories in Lancashire. A third scheme was being considered in placing orders.

The scheme does not include the adjoining East Waterloo Dock and warehouse, which is being developed separately by MDHC and Barratt Urban Renewal as a waterside residential village. A third scheme - for a £70m redevelopment of the nearby Stanley, Collingwood and Salisbury docks - was also submitted to the corporation for planning approval.

including the latest job losses. The textile industry's difficulties began last Easter and worsened as the year progressed. Mr Taylor said conditions had stabilised since the start of 1989, but the market was "still very weak." He said there was no sign of an improvement because of the "strong, apparently stable pound" and the "nervous" mood of the retail sector.

Courtaulds is not the only textile company to have announced redundancies and closures in recent months. Coats Vytella, the industry's other main UK company, shed 4,000 of its worldwide workforce last year.

The redundancies have been concentrated in the most vulnerable areas of the industry - spinning and knitwear - where the import problem has been exacerbated by a steep decline in demand.

Mersey dock project advances

By Ian Hamilton Fazley, Northern Correspondent

MERSEY DOCKS and Harbour Company has given outline planning permission for its £200m redevelopment of the Princes Dock area, close to Liverpool's Pier Head. The redevelopment involves 23 acres of land and 13 acres of water.

When the scheme was first mooted in 1987 it led to a rapid rise in the MDHC's share price, but difficulties followed over the financial resources of the original development company behind the scheme and government reservations about the project.

The planning authority for the area was then Liverpool City Council, but powers over the disused northern dock-

lands have since been transferred to Merseyside Development Corporation, the government agency charged with regenerating the Mersey waterfront. The corporation has approved a joint application by MDHC, the site owner, and P & O Properties, now the lead developer.

The scheme does not include the adjoining East Waterloo Dock and warehouse, which is being developed separately by MDHC and Barratt Urban Renewal as a waterside residential village. A third scheme - for a £70m redevelopment of the nearby Stanley, Collingwood and Salisbury docks - was also submitted to the corporation for planning approval.

The Princes Dock plans include 400,000 sq ft of offices, 300,000 sq ft of shopping, 207,650 sq ft of housing, a 150 bedroom hotel and a roll-on, roll-off terminal for Irish Sea ferries. Detailed plans will now be drawn up and full planning permission sought.

Merseyside Development Corporation has also revealed that its plans to sell the site of the 1984 Liverpool International Garden Festival to Mr Peter de Savary have fallen through. Negotiations were at an advanced stage last October, shortly before he sold his Landleisure company, but Mr de Savary has now decided not to pursue the deal as he reorders his business interests.

House price surge moves north

Andrew Taylor finds regions where families can still afford to buy

A GOOD way of making money, according to one of the City of London's construction analysts, would have been to have sold you a house in southern England last summer, moved into rented accommodation and bought a house in the north.

The housing market in northern England and Scotland has continued to race ahead, while sales have slumped and prices have remained static in southern England - even falling in some parts.

People retiring and planning to make a big profit by selling their higher priced southern home and moving to the north are finding it less easy. They have been forced to lower their sights as profits they had expected to make have been reduced.

Many people selling houses in the south, according to a survey of estate agents published this week, are having to cut asking prices in order to secure a sale. At the other end of the country, prices are still rising sharply.

Figures to be published next month by Halifax Building Society, Britain's biggest, are expected to show that average prices in northern England, the north-west, the Yorkshire area and Humberside have risen by between 5 per cent to 10 per cent during the first three months of this year.

Prices which last year were racing up in other regions are now mostly static and in some areas even falling slightly, says the Halifax.

Barratt, Britain's third largest housebuilder, says sales in southern Britain fell by between 20 and 25 per cent in

HOUSE PRICES in rural areas which are rising beyond the means of many local people, are causing an exodus from villages, especially by the young, according to the Association of County Councils.

The use of houses as second homes, retirement homes and commuter accommodation was affecting almost all rural areas, it said in a report called Homes We Can Afford. "There is resentment between the tra-

ditional rural population and the influx of strangers," it said.

The traditional rural community was cracking up with the Government's village office and shops, the decline of rural bus services and rural schools, and also social and church life.

The association called on the Government to introduce urgently a policy document for rural housing.

largest housebuilder after Taylor, says sales in the north have continued to race ahead. These more than compensated for a drop in sales of about 12 per cent on Wimpey sites in south-east England.

The group expects to sell about 8,000 homes this year, 1,000 fewer than the previous year.

Some of the reasons for the stronger performance by housing markets north of the River Trent can be found by studying relationships between house prices and average earnings in different parts of the country.

Home prices in London since the late 1980s have varied between 1.6 times and more than 2.5 times average prices in the Yorkshire area. London prices currently remain more than twice the average price in that area, even though prices in Yorkshire and Humberside have risen by more than 40 per cent in the last 12 months.

among some of the weakest housing markets in the country, particularly for sales to first-time buyers who cannot afford local prices.

House prices in London, south of the River Thames, and south-west are all more than five times the average earnings of local borrowers. In the north-west, Yorkshire area and Scotland prices are less than four times the average earnings, less than 3.5 times average earnings of local Halifax borrowers.

Mr Swanson of Barratt says: "There is a lot of ground to catch up. Unemployment in the north is falling, real earnings are rising. Because house prices are so much lower, people have not been so badly affected by mortgage interest rate rises. They have money in their pocket and are spending it on housing."

In the south, land prices recently have begun to fall from last year's record levels. Builders which had stopped buying because prices were too high have started to purchase again as the housing market in the south has cooled.

The pace of the housing market in the north has eased national builders to offset falling sales elsewhere. But how long can this last?

The decline in the housing market which began in London has gradually drifted northwards. Most recently it has begun to affect the south Midlands.

Halifax believes the decline will have begun to affect the north by the end of this year. But there is no sign of this as potential purchasers crowd into the showrooms this Easter.

US to... Computer... Export... Controls... Higher... Wage... Italian... Spending... HK... Inflation... French... Trade... deficit...

## UK NEWS

## Labour will face testing by-election in Glasgow

By Charles Hodgson

LABOUR'S recent efforts to consolidate its hold on the Scottish heartland in the wake of the disastrous Glasgow Govan defeat will shortly be put to the test following the death of Mr Robert McTaggart, MP for the neighbouring Glasgow Central constituency.

Mr McTaggart, 43, died, apparently of a heart attack, at Heathrow Airport in London on Thursday.

The by-election is set to raise the spectre of Labour's reversal last November at Govan, where its 19,000 majority was demolished by the Scottish National Party. Mr McTaggart had a majority of 17,353.

The contest comes at an uncertain time for Scottish politics, with Labour showing clear signs of a recovery in opinion poll ratings both nationwide and in Scotland, where it has widened its lead over the SNP in recent months.

Glasgow Central may prove a tougher proposition for the SNP than Govan, where Mr Jim Sillars was a well-known and popular candidate.

The party's decision not to participate with Labour and the Social and Liberal Democrats in the planned Scottish convention on devolution, in favour of a stricter pro-independence policy, may cost it support.

However, the nationalists' hard line on non-payment of the poll tax, which comes into force in Scotland next month, may prove more attractive to voters than Labour's softer option of legitimate protest.

A recent "offensive" by the SNP at Westminster, including efforts by Mr Sillars to obstruct the Budget speech, has won widespread media coverage in Scotland which the party feels has boosted its claims to be the genuine voice of Scottish opposition to the Government.

Labour hopes that the recent statement by Mr Neil Kinnock, the party leader, in favour of a Scottish assembly with substantial powers, will have reduced support for the SNP.

Labour Party managers face a dilemma as to how to contest the election. They could choose May, the date of local elections in England and Wales and of the Vale of Glamorgan by-election, where Labour sees a chance to take the Conservative seat.

However, they could wait for June 15, date of the European Parliament elections, where the SNP will be standing, in the hope of stretching nationalist resources.

## Share trader is dismissed after six-figure losses

By Clive Wolman

SHEARSON Lehman Hutton has dismissed one of its share traders after he lost the company several hundred thousand pounds by breaching the company's limits in his holdings of brewery shares.

The losses were incurred by Mr Dan Robinson on Tuesday when the shares in several brewery companies fell in response to reports of the Monopolies and Mergers Commission recommending the enforced sale of 22,000 tied pubs and blocking the bid for Scottish & Newcastle Breweries by Elders IXL.

Mr Robinson, a junior trader, is alleged to have breached several company trading rules, in particular those imposing limits on his exposure to particular shares and sectors and requiring him to report his positions regularly.

## Mechanical engineering sector 'faces 1989 deficit'

By Nick Garnett

THE MECHANICAL engineering sector, one of the UK's most consistent balance of payment earners in manufacturing goods, looks as if it will slide into deficit this year for the first time for very many years.

Provisional estimates by the Engineering Employers Federation indicate that the positive trade balance in mechanical engineering goods slid to just £200m last year from £1.4bn in 1987 and an average of £2bn in the mid-1980s.

On present trends, the mechanical engineering sector, which was once a cornerstone of Britain's industrial strength, will almost certainly be in the red for 1989, the federation says.

The sector covers a huge range of products from all types of production machinery, some power station equipment and components like pumps, valves and bearings to farm equipment, earth-moving and lifting machinery and some types of engine. It also covers many of the subsectors, such as farm tractors, maintain a very large positive trade balance and will continue to do

so. However, many others have seen their trade balances shrink and are in danger of tipping into the red.

A few subsectors, such as machinery for rubber and plastic processing now run very substantial deficits.

In contrast to general public perception, mechanical engineering has run a trade balance. This balance, through most of the 1980s, has been about as large as Britain's deficit in electronic goods.

The decline has been so marked, however, that the EEF predicted in its economic review last September that mechanical engineering could be in deficit for 1988.

That did not happen but looks as if it will this year. "We would expect our next forecast to confirm that," Mr Ian Thompson, the federation's economist, said.

The figures for mechanical engineering are not precise because of difficulties in defining mechanical engineering and machinery for government classifications.

On one set of figures, for example, aero engines are included, which on the basis of

1988 figures would raise the UK's positive trade balance to £400m. However, steam turbines used in power stations where the UK has a positive trade balance are classified as electrical rather than mechanical products.

Mr Thompson said it was possible that Britain had never had a trade deficit in mechanical engineering since modern statistics were collected.

Subsectors in mechanical engineering with substantial trade surpluses last year included small arms and ammunition (£350m), construction and earth-moving machinery (£356m), tractors and farm machinery (£254m), boilers and process plant fabrications (£151m) and machinery for chemicals and food products (£102m).

Those with sizeable deficits included rubber, woodworking and plastics machinery (£145m), and printing and paper machinery (£78m).

Product areas with either small deficits or small surpluses included machine tools, textile machinery and bearings.

## Machine tools investment up 22%

By Nick Garnett

THE STEEP increase in shop-floor investment in British factories last year was confirmed yesterday by figures showing a 22 per cent rise in the UK machine tool market in 1988.

Expenditure on machine tools stood at about £905m last year compared with £561m in 1987, according to the Machine Tool Technologies Association, which represents most UK manufacturers and importers.

However, this improved performance followed a disastrous year in 1987, when the UK market actually declined, partly as a result of reductions in capital allowances.

Allowing for the effects of inflation, the UK machine tool market in 1988 was just 2 per cent larger than in 1986.

Over the two-year period, the British domestic market for metal cutting and forming machines has only kept pace with that of France and has

slipped farther behind that of Italy.

Italian domestic demand has risen by 25 per cent for two years running and is now 50 per cent ahead of the UK.

The rise in UK demand last year was matched by a steep increase in output by the domestic machine tool industry, which includes a number of large production plants owned by companies with headquarters outside Britain.

Production in the UK last year was estimated at £780m, compared with £644m in 1987, maintaining the British machine tool industry's position as the world's eighth largest.

However, the UK industry improved its position in the league-table of exporters from seventh to sixth place (measured in sterling) just ahead of the US.

Exports from the UK were £386m last year, a rise of

26 per cent over the £306m recorded in 1987.

Britain moved into deficit on trade in machine tools in 1988 and has recorded a negative balance ever since. Imports were up 27 per cent in 1988 to £411m. This gave a trade deficit of £25m compared with £17m in 1987.

These figures tend to flatter the British performance in comparison with some of its machine tool-making competitors, because a large volume of components is imported into the UK for machines assembled in Britain.

Main export markets for UK producers in 1988 were the US (£62m) and West Germany (£40m). Main sources of imports were West Germany (£104m), Japan (£102m) and the US (£45m).

Imports from France jumped from \$2m to £15m and those from Taiwan rose from £18m to £17m.

## Inflation registers biggest annual rise since 1982

By Ralph Atkins, Economics Staff

THE inflation rate rose further last month but could be near a peak, according to official figures.

The annual rate of inflation reached 7.8 per cent in February, up from 7.5 per cent in January, and was the highest since August 1982, the Department of Employment said.

The figures continue the rising trend since the beginning of last year. But the decision of the Chancellor not to increase most excise duties in the Budget is expected to help keep the annual rate near 8 per cent.

Between January and February, the retail price index rose by 0.7 per cent, slightly less than half of that due to rises in building society mortgages.

If mortgage interest payments are excluded, the annual rate of inflation accelerated from 5.5 per cent in January to 5.7 per cent in February.

Higher petrol prices are expected to increase the March index, but if other price rises are modest, the annual inflation rate may be little changed.

In April, the annual rate of inflation will benefit from a 1.6

per cent rise in the RPI in the corresponding month of last year. That will have the effect of compressing the year-to-year rate in 1989.

Much of last April's rise was caused by tax changes in the 1988 Budget which added 0.4 per cent to the index. This year's Budget will have a negligible effect.

However, a series of price rises expected from April will maintain the upward pressure on inflation. These include an expected 10 per cent rise in local authority rates which will add 0.4 per cent to the index.

An estimated 11 per cent increase in water authority charges will also add 0.08 per cent to the index.

In his Budget speech, Mr Lawson said inflation would rise to about 8 per cent before falling to 5.5 per cent in the last three months of the year.

The all-items retail price index stood at 111.8 (January 1987=100) in February against 111.0 in January. The tax and price index which takes account of taxation as well as prices, stood at 108.0 compared with 107.1.

## Government to toughen rules on waste imports

By Charles Hodgson

THE GOVERNMENT is to ban the import of waste for disposal at landfill sites unless it has first been assessed and properly treated.

Lord Cailness, a Junior Environment Minister, told the Lords this week that the Government hoped the bill would be ready by the next parliamentary session.

The announcement came as Labour launched a seven-point plan for stricter control and disposal of waste and to encourage recycling of bottles and other materials.

A Labour government would ban all imports of toxic waste and order the solidification or vitrification of all liquid toxic waste at landfill sites.

Labour's proposals are to be included in its environment policy review package, due to be debated at this year's autumn party conference.

The proposals also envisage funding for a local authority programme to recover chlorofluorocarbons (CFCs) - used in refrigeration and other equipment - for recycling or incineration.

## Security checks slow holiday departures

By Lisa Wood

TOUGH NEW airport security checks resulted in substantial delays to flights taking families to holiday destinations from London Heathrow, Britain's busiest airport.

Security was stepped up after official warnings that Arab terrorists might attempt to hijack an American jet in Europe this weekend.

The worst-affected area was Heathrow's Terminal Three, where a particularly high degree of security by both the American airlines and BAA, which runs Britain's top airports, was in operation. Police with automatic weapons were on duty.

The US Federal Aviation Administration in Washington said the alert, reported to concern three Lebanese Palestinians, was sent to airports worldwide.

But in what seemed to be a reaction to the pre-Lockebridge warning controversy, some airlines said they had not received it.

The Department of Transport said of the latest warning: "We don't discuss security matters. We would automatically do anything like this assessed and take any necessary action."

But the ministry is understood to have sent a telex dated March 20 to British airlines about the alert, described by the FAA as "very, very urgent." A warning to British airports probably went out at the same time.

Mr Robert Adler, Tory chairman of the all-party Parliamentary tourism committee, said yesterday that claims from Mr John Prescott, Labour Transport spokesman, about the lack of security in Britain's airports had caused "a stampede of cancellations" by American tourists.

Mr Adler predicted that the claims made by Mr Prescott would cost many jobs among those associated with the tourist industry in Britain.

British Airways said yesterday it expected to carry some 20,000 passengers over the holiday weekend, while Thomson Holidays said that it was carrying more than 250,000 holidaymakers.

International flights through Terminal Four at Heathrow have also risen by 12 per cent this weekend, BA said.

On Britain's roads heavy traffic was reported in most areas and early rain brought a state of accidents.

The northbound carriage-way of the M1 was blocked near Hemel Hempstead, Herts, after a seven-car pile-up. Eight people were injured and two cars caught fire. A seven-mile tailback built up as wreckage was cleared.

There were delays of up to 90 minutes on ferry sailings between Dover and French ports because of gale-force winds which also forced the cancellation of all hovercraft flights.

Industrial action by French seamen caused the cancellation of some cross-Channel ferry services yesterday and is likely to lead to further problems over the remainder of the Easter holiday.

Seafair British Ferries, the UK partner in the Anglo-French Sealink service, said the dispute was likely to hit one round trip each day from Newhaven to Dieppe, and two between Dover and Calais.

The French seamen's union is in dispute with the French Government over the proposed privatisation of the state-owned French Sealink company.

## Peugeot Talbot workers accept two-year deal

By Charles Leadbeater, Labour Editor

MANUAL workers at Peugeot Talbot have voted narrowly to accept a two-year pay deal which will increase average earnings by about 17.3 per cent.

The 4,500 manual workers, mainly employed at the company's assembly plant at Ryton, just outside Coventry, voted by 2,249 to 1,942 in favour of the agreement which has been under negotiation since last autumn.

The deal brings to an end this year's round of pay bargaining which has been closely watched for signs of an inflationary pay spiral.

It follows a two-year deal of more than 20 per cent for manual workers at Nissan's plant in Tyne and Wear and last week's settlement of the long running pay dispute at Jaguar, the Midlands luxury car maker. Jaguar's 9,000 manual workers accepted a two-year agreement with rises of just under 5 per cent a year.

Peugeot Talbot workers will get a 10 per cent increase in basic rates this year, backdated to January 1, and an 11.5 per cent rise from January 1990.

The deal abolished the company's productivity incentive scheme. More than half the rise in basic rates for 1989 and about a third of the second year rise will come from the

consolidation into basic pay of incentive bonus payments.

In response to a list in absenteeism over the last 12 months, the company has introduced an attendance bonus of £5 a week for this year, and £8 a week in 1990.

Workers will be paid the bonus for full attendance during a working week. The plan to reduce absenteeism to a full week will have to report for work for four weeks without a break to qualify for the bonus. In addition, production line workers will be paid an allowance of £4 every four weeks.

The company said absenteeism had risen in the wake of intensive recruitment of young workers to allow the introduction of a second shift, which has increased weekly output to 2,300 cars. The company plans to reach full capacity of 2,500 cars a week this summer.

The workers also agreed to alter the timing of the company's annual three-week summer shutdown to synchronise UK production with Peugeot Talbot's Continental European plants. From next year the annual shutdown will start a week later, from July 30th.

The deal will take the average four-week earnings of a grade B production worker from £679.34 to £740.55 this year, and to £796.92 for 1990.

## Employers and Sogat in joint training initiative

By John Gapper, Labour Correspondent

A £50,000 JOINT training initiative for unemployed print workers has been launched by the Sogat print union and the British Printing Industries Federation following the abandonment of a scheme for a national training centre.

The training scheme, under which 40 unemployed print workers are to be given 10 days' training in skills including keyboard work and print finishing, is a rare example of joint union and employer training.

Sogat has contributed half the cost of the training at print colleges in London, Leeds and Glasgow. The rest has been made from Training Agency funding with the BPIF acting as training agent.

The training scheme was set up after a feasibility study found that print employers

were not interested in a national training centre. Both sides plan to monitor drop-out rates and whether the trainees find jobs.

Among those being trained are some Sogat members who were dismissed by News International.

Members of Sogat at a Leicester print company have resisted an attempt to deorganise it by threatening strike action, according to the union.

It said Hunterprint Special Products had signed a new deal with 47 members of Sogat after they had voted to take industrial action to protect recognition.

Sogat and the NGA are trying to merge, but Sogat has been worried that print companies may end recognition of the union before the merger with the NGA.

## Teachers tread water as they wait for new schools strategy

David Thomas on the next generation of leaders

ACTIVISTS among the teaching profession make their traditional Easter trek to the seaside this weekend at a time when the influence of their unions is at the lowest ebb for a generation.

In the past, the dearth of new over-Easter has allowed the teaching unions to jostle with the Pope for the media's attention, virtually guaranteeing coverage of their conferences.

Yet it is increasingly difficult to believe that many of their debates serve much purpose other than as an annual morale booster for union activists who spend much of the year fighting thankless battles for their members on the ground.

Who will be listening as the conference of the National Union of Teachers, opening in Blackpool today, gets underway about a page-long motion which culminates in the call for "the widest possible resistance to all attempts to destroy the comprehensive school and the state system of education?"

Almost certainly not education ministers, who have called the shots since the end of the teachers' pay disputes in the mid-1980s and the passage of the Education Reform Act.

In the process, they have squeezed out the other two traditional centres of educational power - the local authorities and the teaching unions.

This is not to damn quite all this weekend's debates as pointless. Dotted around the conference agendas of both the NUT and NAS/UWT, the second largest TUC-affiliated teachers' union whose gathering opens in Eastbourne on Monday, are attempts to come to terms with the changed times - the decentralisation of decisions to schools, the new national curriculum, and the emergence of teacher shortages, coupled with the Government's desire to smooth the path of older people into the profession.

What both unions lack at present, however, is a fully developed strategy to make the most of those opportunities which will open up for teachers and their representatives



Nigel de Gruchy: rests his faith on teacher shortages as a result of the new educational agenda.

Both unions will be treading water this Easter, partly because both are waiting for a new generation of leaders to succeed their long-standing general secretaries: Mr Fred Jarvis of the NUT retires in September and Mr Fred Smith of the NAS/UWT goes next Easter.

Each union has named as likely successor its deputy general secretary: Mr Doug McAvooy for the NUT and Mr Nigel de Gruchy for the NAS/UWT. Both have been around long enough to have crossed swords over tactics during the teachers' pay dispute. Yet neither is quite in a position yet to put his personal stamp on his union.

Mr McAvooy, a 50-year old Glaswegian, has gone further than Mr de Gruchy in articulating a personal philosophy.

Closely associated with the shift to "new realism" after the mass exodus of members from the NUT during the pay disputes, Mr McAvooy believes the profession is going to have to come to terms with the consequences of the Education Reform Act.

For Mr McAvooy, that has two inter-related consequences. First, the union must give greater prominence to its views on educational (as opposed to pay) matters like the national curriculum. Only thus, Mr McAvooy argues, will teachers regain public respect, a pre-condition in turn for achieving the pay levels Mr McAvooy believes that teachers deserve.

## Independent journalists oppose end to pay talks

By Our Labour Editor

JOURNALISTS at The Independent newspaper will strongly oppose plans to end the National Union of Journalists' right to negotiate over pay and conditions at the company, Mr John Moore, father of the union chapel at the newspaper, warned last night.

The union chapel on Thursday invoked the formal dispute procedure after the company refused to renew the clause in the industrial relations agreement which commits it to annual negotiations over pay and other terms and conditions.

The company wants to replace annual collective negotiations with a formula, which would deliver an annual rise to cover cost of living, with increases above that awarded by a system of performance related pay. The plan to raise pay to 10 per cent above the national average is expected to be presented to the newspaper's board within the next couple of months.

Mr Moore said the chapel, which represents 150 of the 240 journalists on the newspaper, would strongly resist attempts to seriously curtail the scope of collective negotiations. However, the chapel was committed to seeking a negotiated solution and would consider the company's proposals.

## Revenue to raise recruits' age limit

By Michael Smith, Labour Staff

THE INLAND Revenue is to raise the upper age limit for graduate entry to the tax inspectorate in an effort to help relieve growing staff shortages.

From October 1, people up to the age of 58 will be eligible for the graduate entry scheme. The previous limit was 56.

The Inland Revenue decision follows growing difficulties in recruiting staff because of stiff competition from the private sector.

Resignation rates among tax inspectors grew from 3.5 per cent in the year to March 1987 to 6 per cent the following year.

## Early 'reshuffle fever' starts to afflict MPs

Philip Stephens reviews the ministerial options Mrs Thatcher may be considering

ACCORDING to those close to the Prime Minister, Mrs Thatcher has not even started to think about it. That has done nothing to discourage the growing "reshuffle fever" among her ministers at Westminster.

With a reorganisation of the Government expected for July or September, the next few months will be crowded with speculative reports over who is set for promotion and who will be dropped.

Few, if any, will represent more than educated guesses. Mrs Thatcher will consult her closest confidants only days before she makes up her mind. But most ministers already have a view on how they, and just as important, their colleagues are likely to fare.

Mr Paul Channon, the beleaguered Transport Secretary, is the focus of the latest speculation. Although he survived Labour's onslaught in the House of Commons this week, there are few in the Conservative ranks who believe that he has earned more than a brief reprieve.

That in turn has revived



Paul Channon: survival seen as only temporary

reports that Mr John Major, a rising star as Chief Secretary to the Treasury, would make an ideal substitute. Although Mr Major has kept his thoughts to himself, many of his colleagues cite a list of compelling reasons why he should get the job.

He is clearly due for promotion, needs the experience of

running his own department and has the self-confident style needed to react quickly to disasters.

It is a small department and Mr Major might hope for something better - he is tipped as an eventual successor to Mrs Thatcher. But, chaos on the roads, airport congestion and crumbling public transport in London are likely to keep transport policy near the top of the political agenda in the run-up to the next election.

With his Treasury experience, Mr Major would also be the ideal minister to push ahead plans for the privatisation of British Rail and to attract the private sector investment into the transport infrastructure which the Government wants.

The most difficult decision for Mrs Thatcher, however, will be whether to break the logjam at the very top of her Government - by moving either Sir Geoffrey Howe from the Foreign Office, Mr Nigel Lawson from the Chancellorship or Mr Douglas Hurd from the Home Office.

The current betting among Conservative party managers



John Major: seen as ideal replacement for Channon

is that Mr Lawson will want to stay on for at least one more Budget.

Sir Geoffrey is said to retain his ambition to take over from Mrs Thatcher when she eventually steps down, so would be reluctant to move up to the House of Lords, while Mr Hurd would prefer only the Foreign Office to his present job.



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Soviet-styled democracy

**THE ELECTIONS tomorrow** for a new-style Soviet parliament - the Congress of Deputies - have offered the world an astonishing spectacle, some aspects of which have been exhilarating and others intensely disappointing.

Mr Mikhail Gorbachev, the Soviet leader, has not fulfilled all the promises he made on giving the people a greater democratic voice in the running of the country. As much as one quarter of the 1,500 seats in the new Congress will be uncontested, and the rigging of candidatures by both the central and local Communist Party organisations has been there for all to see.

Perhaps expectations in the West have been too high. There is no way in which a state like the Soviet Union, in which freedom of expression and other human rights have been suppressed for 70 years, could possibly be turned into a Western parliamentary democracy almost overnight. Mr Gorbachev faces an entrenched Party apparatus with every intention of holding on to its privileges and a body of conservative opinion which is much more deeply-rooted than generally imagined in the West.

That said, there is much to rejoice about. In spite of Western scepticism about Mr Gorbachev's real intentions, the Soviet leader has gone a long way to demonstrate his good faith. The achievement of organising even a flawed democratic election in a country which has known only autocratic government throughout almost its entire history, is immense.

The fact that thousands of Moscovites paraded through the streets of the city carrying banners in support of the arch reformer, Mr Boris Yeltsin, ousted from the Moscow Party leadership and the ruling Politburo less than 18 months ago, was unprecedented. Such a demonstration would have been unthinkable in Brezhnev's time or even under Khrushchev's more flexible regime.

**Political demonstrations**

Even more important, however, is the lack of fear with which the Soviet people are now taking part in political demonstrations. It cannot be delayed if Mr Gorbachev's disputed position is to be assured.

While the election of a more representative Soviet parliament must be welcomed, it is yet unclear whether it can bring about the changes in the Soviet economy and society which enlightened Soviet experts, as well as Western observers, consider necessary.

**Debating chamber**

It is probable, therefore, that a sufficient number of reformers will be elected to the umbrella Congress to transform the new-standing Supreme Soviet, which the Congress is due to elect, into a much more genuine political debating chamber than the former rubber-stamp parliament. The danger is that the new institutions, because of the way the elections have been organised and rigged by the Party, are unlikely to function as well as intended.

The critical idea was that the new parliament and local soviets should be given day-to-day responsibility for running the economy, leaving overall policy decisions to the Party. That would have made the Supreme Soviet into the main instrument for implementing economic reform, and allowed it to act as a counter-weight to the entrenched and inert forces of the party and state bureaucracies. As it is, the Party representatives are still likely to retain supreme after Sunday's election.

It can only be hoped that the voices of the reformers - and there are some impressive speakers among them - can overcome the handicap of numbers.

For the huge legislative programme which the new Supreme Soviet will have to deal with, ranging from economic to constitutional and judicial reform, cannot be delayed if Mr Gorbachev's disputed position is to be assured.

While the election of a more representative Soviet parliament must be welcomed, it is yet unclear whether it can bring about the changes in the Soviet economy and society which enlightened Soviet experts, as well as Western observers, consider necessary.

Ivo Dawnay reports on Brazil's reaction to outrage over ecological destruction in the Amazon basin

The vast pall of hot air, hypocrisy and dubious statistics that now hang over the debate on the future of the Amazon may be as hazardous to the world's ecological health as the forest fires which provoked the uproar in the first place.

For the more the green lobby has succeeded in generating international outrage at senseless rainforest destruction, the more the Brazilian government protects its sovereignty right to send bulldozers, penniless immigrants and the bric-a-brac of modern civilisation where it pleases.

If the issues could be disentangled, both sides' protests would be right. But until megaphone diplomacy, conducted at cross purposes, gives way to rational debate, the Brazilian government - currently apologetic over talk of "internationalisation" of the region - may be tempted to ignore genuine conservationist concern altogether.

It is easily forgotten in the new environment-conscious climate, that up until very recently Brazil was criticised for under-exploiting a resource that covers 45 per cent of its poverty-stricken territory. Those attacks persuaded President Emílio Médici, with the world's approval, to build the Transamazonia highway in the mid-1970s to open up "a Brazil without men for men without land."

Thanks to the ecologists, that developmentalist pressure has now a counter-balance in the thousands of protest letters that have flooded into Brazilian embassies. In a matter of months, the government has been forced to launch a new conservation programme and to rethink its development strategies.

But the green ascendancy has also sparked a dangerous xenophobic backlash which argues that the developed world is ordering Brazil to sacrifice its own future in the global interest. Fanned by the dramatic photography and simplistic reportage of colour magazines and television, the developed world's vote-conscious politicians have announced a new age of ecological imperialism.

This year alone France's President François Mitterrand (whose own government was involved in sinking an unarmed ecologist boat in foreign waters) has called for international controls on the Amazon. In the US, which in 1987 accounted for 23 per cent of total world's fossil fuel consumption, Senator Bob Kasten has declared that "when the environment is in play... national frontiers are irrelevant."

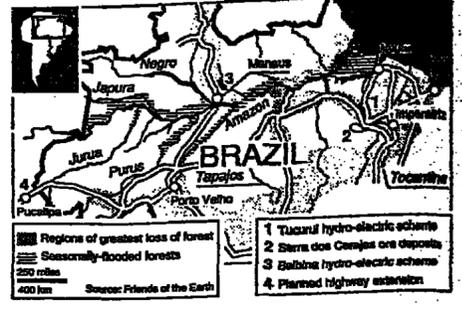
At a rally in Brazil itself, a group of foreign ecologists and media personalities declared themselves committed to fight a dam project that would provide very cheap electricity at minimal environmental damage for a country already undergoing an energy crisis.

Nations that have chopped down their forests or wiped them out with acid rain, and that have grown rich on the exploitation of other countries' natural resources are now using Brazil as their whipping boy, argues Mr Paulo Tarso Flecha de Lima, the head of the Brazilian Foreign Ministry. "Nobody has approached us on a friendly basis," he adds. The criticism "is arrogant, presumptuous and aggressive."

But if Brazil must learn now to play the ecological game, many greens have yet to accept that preserving the Amazon untouched as some kind of ecological Disneyland is not an option. The interests of the estimated 90m Brazilians living in conditions of abject misery are one reason. Further population growth, expected to rise from 145m to 207m by 2010, is another.

Under these circumstances, efforts to boost mineral exploration, hydro-electric power and at least some farming are inevitable activities in a still half-discovered country where 2m

A smouldering anger hangs over the forest



jobs and \$12bn (\$6.5bn) in debt interest has to be found each year.

Yet as a consequence of the furor, the World Bank and the Inter-American Development Bank now all but publicly admit that they have called a moratorium on any lending to environmentally sensitive projects - largely for fear of green electrates that threaten their paymasters.

If the Brazilians' case on sovereignty is hard to dispute, however, concern over the Amazon rainforest seems equally justified. "The attack on Brazil has been appallingly savage and hypocritical," one foreign diplomat said last week. "Nevertheless, it has to be said that their record is atrocious."

One problem in convincing sceptics is that - as with any genuine wilderness - facts are hard to separate from hearsay. Despite satellite technology, nobody knows even the true size of the forest. Estimates vary from 5m sq km to half that. Claims that clearance invariably produce useless soils for farming are a gross generalisation - the region is too heterogeneous.

So just how serious is the rate of forest destruction? It is a peculiar irony of the situation that only the very emotional or very prejudiced claim to know for certain.

According to Mr João Alves, Brazil's interior minister, only 3 per cent of the original primary forest has been lost. But the most conservative scientific analysis estimates that it is at least 8 per cent, while the government's own space research institute, INPE, suggests a still higher figure. Dr Philip Fearnside, based at

Manaus's Amazon research institute, INPA, offers a lesser figure of 200,000 sq km for 1987 destruction - an area roughly equivalent to the Netherlands and the same as burning a football pitch every five seconds for a year.

Furthermore, there is plenty of empirical evidence that the Brazilian government has until now treated the region as if were an infinitely exploitable resource. In Rondonia, the far western state, vast immigrations of subsistence farmers were encouraged by free plots to devastate land wholly unsuited to farming. The Balbina dam, north west of Manaus - the Amazonian capital - has flooded thousands of square kilometres for a puny 250-megawatt payoff - not enough even to meet local demand.

And to the south east, the Carajás iron-ore scheme has tumbled in its wake pig-iron plants with export incentives when the only fuel is wood from the rainforest itself. Across the region, cattle barons have won tax breaks to plow up forest while up to a million uncontrolled gold miners poison rivers with tonnes of mercury.

Some of these past mistakes are now being put right or at least learnt. But a whole sheet of fiscal incentives to forest destruction is still in place. Moreover, many senior officials seem still unconvinced that full-blooded, rapacious development of the region would have any significant negative impact either on the climate or national interests.

The current development strategy is to encourage large-scale immigration to the regions to the south and east of the rainforest for a major new agricultural development drive. A road route from the western Amazon

to the Pacific coast is also planned.

For some ecologists like Dr José Lutzenberger, a former scientist from West Germany's BASF turned award-winning ecological campaigner, the outlook is apocalyptic. He argues that reduction of the forest's critical mass may already be enough to have provoked a biological and climatic chain reaction. "Since the rainforest makes its own climate, if we destroy a sizeable chunk of it - say 30 per cent - it is quite possible that the whole thing will collapse. Once that process begins, it is too late to do anything."

Professor Eneas Salati, an internationally respected hydrologist and climatologist, avoids such hypotheses, and heavily emphasises the lack of knowledge about the region. But then he adds: "What we do know is that the area is very strong at recycling water and if you change the forest you change the water and heat cycles." Five years research in the region south of the main Amazon belt has shown that north to south flows of water vapour are falling, suggesting that a drier climate is already emerging.

Spurred by the international outcry, the Brazilian government has now launched an ambitious package of measures to tackle the criticisms. Entitled "Our Nature" - more evidence of the paranoia over sovereignty - it promises comprehensive new research, educational programmes and forest policing, among other intelligent and desirable measures such as the commissioning of the Food and Agriculture Organisation (FAO) to create a new soil map. Cattle-ranching incentives and the banning of unprocessed wood exports

have also been suspended, though, inexplicitly, only temporarily.

Yet the suspicion that these are merely cosmetic gestures is widespread - and for good reason. Commitment to ecological education rings hollow in a country where 28 per cent of the population is illiterate. Reforestation sounds improbable when there is cash only for 500 officials to police as many million hectares from further attack. And promises of fresh scientific studies are simply bizarre when spent in conjunction with a slim cut in the budgets of the two major Amazon research institutions.

President José Sarney is said to be planning to spend \$3m to invite leading international political figures to Brazil to hear the country's plans. Such courted values confirm the suspicions of the greens that Our Nature is merely bungled public relations. Mr Amazonio Mendes, the Amazonas state governor, said recently that the lack of resources means that Brazil must look abroad for help, a move that it has refused to contemplate if strings are attached. "There is no money," the governor pointed out. "We must have funding from abroad. And it is only normal that those who give the money should have the right to monitor how it is spent in the same way as the World Bank looks after its loans."

National pride is now a major factor in the Amazon region's survival. As politicians in the developed world have, in effect, cast a vote of no confidence in Brazil's ability to manage its rainforests, Brasília is ignoring a God-given opportunity to appeal to potentially sympathetic electorates over their leaders' heads.

For the debt and ecology issues are linked, at least in so far as poverty and the demands of debt servicing are a major factor in the Amazon's destruction. The Brazilian government has rejected the redemption of debt for the creation of ecological parks on the grounds that this would mean surrendering territory to foreign supervision. Much more feasible, acceptable and appropriate than debt-for-territory would be to convert debt to provide the funds for vital activities such as forest policing, research and carefully managed development. If Brazil were to harness world public opinion, the industrial powers with their own poor conservation records could be forced to respond.

Ironically, the greatest barrier to such funding from abroad is likely to come from radical ecologists whose calls for a total moratorium on development in the region have already left big lending institutions terrified of any fresh commitments to the region. Consequently, those best equipped to ensure that cash is intelligently spent will come under fierce pressure not to endorse the spending of any at all. It is arguably more development - organised, rational, and pragmatic - that Brazil needs, not less.

The way Bob Smith sees it, he could hardly have had better preparation for his new job as first-ever finance director of the Airbus consortium. He has held the equivalent position at Royal Ordnance since it was pushed abruptly into the private sector when the Government sold it to British Aerospace (BAe) two years ago.

"I see great similarities between the two jobs," he says. The essence of the challenge is to take an organisation accustomed to a sheltered public sector existence and instil in it a commercially accountable, profit-driven culture. "I've seen things change at BAe and Royal Ordnance as the disciplines of the market have been brought to bear. I expect it will be the same at Airbus Industrie."

The 44-year old Bob Smith is little known outside BAe, for which he has worked since the group was formed out of a government-inspired merger in 1977. However, his contribution to the strong recovery at Royal Ordnance, coupled with his obvious enthusiasm for the virtues of private enterprise, quickly brought him to the attention of his namesake, fellow Yorkshireman and BAe's chairman, Professor Roland Smith.

From the chair at BAe, the elder Smith has been an outspoken critic of the financial and management weaknesses of the loss-making Airbus, in which his company has a 20 per cent stake. "Loose-limbed and unaccountable" was one of his kinder comments about the four-nation venture. His verbal broadsides have not made him popular with other members of the consortium. But in the end, he has got his way.

After almost a year of tortuous negotiations, Airbus governments and partner companies confirmed the younger Bob Smith's appointment this week as part of a management restructuring intended to place the 20-year-old venture on a firmer commercial footing and pave the way for profitability some time in the 1990s.

MAN IN THE NEWS



European flotation," he says. "That, however, lies in the far future and will depend, among other things, on Brussels legislation to create a suitable European company statute. More immediately, Smith's priority will be to install proper management information systems, which he regards as an indispensable lever for effecting change in any business. "You have to generate management information so that you can actually influence decisions and not be constantly looking back at the past."

At Royal Ordnance, he says, such information began flowing six months after he moved in. At Airbus, though, he faces an altogether taller order. For a start, his finances are a black hole, and controls over them virtually non-existent. The only thing known for sure is that it is making a loss. How big a loss, and exactly where it

arises, is anyone's guess.

Airbus Industrie's own annual accounts, which are not published, record little more than cash received from sales and paid out to its shareholders and contractors. Apart from BAe, these are Aérospatiale of France and Messerschmitt-Bölkow-Blohm (MBB) of West Germany, each with a 37.9 per cent share, and Casa of Spain with 4.2 per cent.

The four companies keep financial details of their involvement in the programme secret from Airbus Industrie and from each other. Development and production contracts are divided between them closely in proportion to their Airbus shareholdings. Since they do not compete for the same work, there is little in the system to exert downward pressure on prices. Indeed, there have long been suspicions that the companies

inflate the prices they charge Airbus Industrie individually as contractors, in an effort to offset the common losses on aircraft sales which they incur as shareholders.

In the past, Airbus Industrie has been powerless to impose any discipline on this cosy system. Under the new regime, Smith will have the authority to require the companies to open their books. However, it remains to be seen what use he will be able to make of the information he is given, since he will be allowed to share it only with Mr Jean Pierson, managing director of Airbus. "That may limit the scope for putting pressure on any contractor whose costs and margins are found to be seriously out of line."

Smith is still uncertain how the arrangements will operate in practice, but acknowledges that the unusual structure of the Airbus partner companies poses a problem. The solution, he believes, must be to move towards arrangements which require them to compete harder for Airbus work.

A first step in that direction was taken last week, when the Airbus supervisory board agreed to a new tendering system for a proposed "stretched" version of its successful A-320 airliner. Instead of sharing out the work between themselves, as in the past, each of the partner companies will have to tender competing bids for the entire project.

Smith believes pressures from inside the consortium will make it more commercial will continue to grow. "I think the kind of change is blowing through the whole organisation," he says. In his quest for increased efficiency and better financial performance, he can undoubtedly count on robust support from BAe's chairman.

But if Smith the elder keeps up his public sniping at Airbus, how will Smith the younger react once he gets into his new job? "I'd hate him to be making those sorts of statements in a year or two's time," says the latter. "That I would know that we had totally failed."

bring the drive of profit to Europe's Airbus

By Guy de Jonquières

Bob Smith has known since August that he was in the running for his new position. However, he has so far paid only flying visits to Airbus Industrie's Toulouse headquarters, where he will take up his new duties next month. He expects it will take two to three months of fact-finding to familiarise himself with the operations of the consortium.

At this stage, he is cautious about setting a firm timetable for action. "It's a new job in a rapidly changing situation," he says. "To start making forecasts about where we will be after three months, six months or a year is not realistic."

None the less, he has no doubt about the direction which he hopes things will take in the longer run. Ideally, he would like to see Airbus privatised. "I would personally find it an exciting prospect to be involved in the first proper

European flotation," he says. "That, however, lies in the far future and will depend, among other things, on Brussels legislation to create a suitable European company statute. More immediately, Smith's priority will be to install proper management information systems, which he regards as an indispensable lever for effecting change in any business. "You have to generate management information so that you can actually influence decisions and not be constantly looking back at the past."

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By Guy de Jonquières

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Bankside, the property people called it. That site on the south side of the Thames between Southwark Bridge and Cannon Street railway bridge, looking at but still not part of the City of London. They still do when they fall to remembrance.

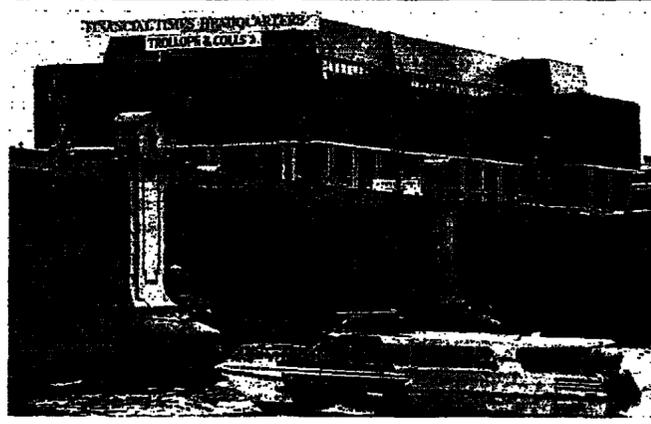
Paul Cheeseright on the story of the site for the FT's new offices

From EC4 to SE1

Tony Clegg traded that once, didn't he? They say. Or Stuart Lipton that was one of his. Didn't European Ferries have something to do with it at one stage? they'll suggest. Of course, they conclude, when the penny drops, that's where the Financial Times is going - lovely deal for David Goldstone.

Lloyd's Bank. Duncan Cardow, as a young architect of 24 at Bennett, went on to Bankside in 1969. He has been going there ever since. Through Bankside he has had a mirror on the property industry, its rise and fall and rise. He has watched a marked shift in attitude among the planners - "the bulk of the 1970s disappeared in planning arguments," he recalls. He has seen changes in environmental attitudes and in the sort of space office which occupiers now want.

with something else. Arguments would be about how the land should be used. Nowadays there would be a tendency to keep them and convert them into bijou flats or offices. Laing Developments, then a wholly-owned subsidiary of Laing, the construction group, saw Bankside as a natural extension of the City. "But it was an idea before its time. Only in the last five years has the south bank taken off," commented Alan Hood, 20 years ago a director of Laing.



responding to the needs of financial institutions, adopted what property people call large floorplates. Laing nursed the site between 1969, when it first started discussing development proposals with the Southwark Borough Council, the local planning authority, until 1975. It sought to bring under its control the interests of different landowners - Courage, the brewery, the Cordwainers, a City guild, the City Corporation itself - so that it and the Legal & General could control the whole of the stretch of land between the two bridges. It was never wholly successful. But above all, Laing's problems were with the planners. "Now, whatever their political persuasion, the planning authorities do try to make things happen. In those days they seemed pleased to see very little happening," remembered Mr Hood.

This weekend, as you prop up the bar of your local quaffing a year of foaming ale, do the landlord one kindness: resist the temptation to explore the ramifications of the Monopolies Commission's report on the brewing industry, published on Tuesday.

Richard Tomkins asks pub landlords how they will fare under this week's brewing reform proposals

Down at the new Bull and Bush

Pub and hotels in Britain fall into three main categories. Managed houses, numbering 19,500, are wholly owned by breweries, and their staff are waged employees of the brewing company. Tenanted (or tied) houses, numbering 32,300, are still owned by the brewery but are rented to the

pubsman, who earns his living from the retail profit. Free houses, numbering 37,700, are independent. The Monopolies Commission wants to break the cosy links between breweries and pubs by putting a ceiling of 5,000 on the number of pubs a brewery can own. It also wants tied houses to be able to sell at least one draught beer other than the brand supplied by their proprietors, and hopes to abolish so-called free trade leases - cheap leases which brewers give to free houses in return for a commitment to take their products.

Mostly the greatest uncertainty rests with the future of pubs sold off by brewers with more than the 2,000 limit. It is not clear just how many pubs will be sold off - the number may be lower than many in the industry expect if the beer groups choose to sell their breweries rather than their pubs. If there is to be a big sell-off, however, managed house landlords are fairly relaxed about the idea. There are the most profitable pubs and are most likely to be the ones retained. Tied house tenants of big breweries, however, face the possibility of an uncertain future under new ownership.

only sell what's not much cop, but if they're having to sell them all at once, it'll be a good price. And Mrs Pam Mitry-Goldberg, landlady of the Dog & Pheasant in Headless Cross, Worcestershire, sees the proposal as an opportunity for people like herself who are trying to build up a small "estate" (chain of pubs). Her company, the Original Pub Company, has already taken on three pubs on 20 year leases from Grand Metropolitan, and she may consider taking on more through outright purchase. "My own feeling is that, rather than losing total control over the houses they sell, brewers will try to retain an interest in them by retaining equity partners with companies such as ourselves and selling blocks of pubs to them," she says.

But Mr Reg Jackson-Cox, tenant of Ye Olde Black Cross in Bromsgrove, Worcestershire, and chairman of the local Licensed Victuallers' Association, believes people are over-optimistic about the sell-off. Many tenanted pubs are simply unviable, he says, and the brewers have kept them open to stop the competition getting in. Even profitable tenancies could struggle under private ownership, he says. A small one might cost upwards of £200,000 at today's prices. At a conservative 10 per cent interest rate, the debt would cost £20,000 a year to service - more, in all likelihood, than the tenant is already paying in rent.

volume of trade available in Britain, and it is going to be very hard lines for people who find themselves not just without a business, but also without a home. Mr Mark Mendes, manager of the Cows & Horses in Weathercock, Worcestershire, faces a different problem. As the owner of a free house, he has received cheap loans from the breweries which he has ploughed into extensions and improvements. About £60,000 is currently outstanding, most of which consists of bareback loans that reduce every time he sells a barrel of his creditor's beer. Those loans will be allowed to run their course, but if the commission has its way, there will be no further ones. Will it affect him? He is deeply cynical about the likelihood of any real change. "We'll get by without the loans because the breweries will get round it some

of fog lamps from Halfords, and ran him through a series of questions about the project which were "like being given the third degree in the Kremlin."

From the earliest days, Laing had envisaged an office block on the site, then as now the way to create commercial value. It was other uses that caused the problems. At various stages there was going to be a theatre, then a nurses' hostel, then housing. At each stage T.P. Bennett redrew the plans. But when Southwark eventually agreed on housing, the Greater London Council, whose approval was needed for any development involving more than 25,000 square feet of offices, objected. The matter was fought successfully through a planning appeal. By then, in 1975, the tide had run out for Laing. The market was reeling after the 1974 crash. Legal & General had lost interest in providing finance for its scheme. The property arm of European Ferries bought the site, and the land ownership and began to exploit the planning gain handed on by Laing. Construction started - and the foundations for what is now the FT building were laid. But the property interests of European Ferries were bought

out by Stuart Lipton's Stockley in 1983. Mr Lipton had grander ideas for the site than those passed on from Laing, and temporarily broke the link with Bennett.

Not for long. The property passed from Stockley into the hands of Tony Clegg at Mountleigh and, as was his wont, he sold it quickly at a profit to Regalain, headed by David Goldstone. Mr Goldstone did two things. He rapidly resumed construction where European Ferries had left off, again using T.P. Bennett. He negotiated with the Southwark Borough Council the deal for which Laing would have given its eye teeth. He reached an agreement to build houses for the Council further back from the river, leaving space for a second office block. That is as good an indication as any of the change in attitudes occurring towards planning. While Laing was foiled by the movements of the property market, leaving the field with its costs covered but not much more, both Mountleigh and Regalain were able to run beside rising prices. For 27,400 Regalain sold the first of the two office buildings to Pearson, for the FT headquarters, at the middle of the property built market. It realised Laing's forgotten dream.

As he is more nervous about the thought of an increase in the choice of beers at other pubs challenging his own range of nine real ales. Other publicans' views, however, suggest that the "guest beer" proposal put forward by the Commission could turn out to be a damp squib. Back at the Dog & Pheasant, for example, Mrs Mitry-Goldberg dismisses any notion that guest beers will be quality regional ales supplied by Britain's smaller brewers. Instead, she says, the market will be flooded with cheap Continental beer. "Let's face it: a landlord runs a pub to make as much money as he possibly can," she says. "If he can buy a foreign product, and if it's cheap

enough, and if it will sell, then he will sell it, because it makes a bigger profit. It's as simple as that." Some disagree. Mr John Hughes, proprietor of the 100-year-old Sarah Hughes brewery in the Black Country town of Sedgley, welcomes the idea of introducing his beer to a wider audience and publicans say beers such as his sell well. But Mr Hughes acknowledges that, like other small brewers, he simply does not have the capacity to meet a significant increase in demand. And that is the dilemma that he is already selling a good beer do not want another in the house in any case, says Mr John Crabb, landlord of The Mug House in Cairns, near Worcester - a tenanted house owned by Wolverhampton & Dudley Breweries, maker of Banks's ale.

"If I was to put in something like Boddington's in here, it would kill the place because everybody knows it's a good Banks's house," he says. "I already sell a good traditional ale, and people are happy with it, so why should I change? "If I had to put another beer in, then I would, but it probably wouldn't be on. I mean, the pump would be there, but you'd be wasting your time if you asked for it."

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He is sure the proposals will bring an advantage to the general public in that the price of beer will come down, but the number of outlets providing it will be drastically reduced," he says. "The fact is that we have too many licensed outlets for the

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Table with columns: Product, Applied rate, Net CAR, Interest, Minimum balance, Access and other details. Lists various investment products from Abbey National, Alliance and Leicester, and others.

Entente Cordiale in the air

From Mr D.A.A. Faganandini. Sir, you refer to the likely conclusions of the Commons Select Committee on Transport (March 21): additional airport facilities in the south east of England will soon be unavoidable if the over-expanding traffic is to be properly handled. Has there been any lateral thinking on this issue? The Pas de Calais is recognised as lightly populated. Property values are low in UK terms. Are you, or anyone else, anxious to promote economic activity. The Channel Tunnel will be open in five years time.

And farming is not the only sector with support: the textile industry is sheltered by a voluntary restraint against low cost producers (MFA); while coal, oil and shipping are also protected. How do we get all these on a commercial footing. The argument is actually on two levels. Ostensibly it deals with a mix of fact and assumption. The underlying tone is hostility to adventure, supported by all of the member state governments and by every one of our Parliamentary parties. Britain has often seen its best minds deployed to destroy, easy, that. Without a strong European connection, we have only a shrinking commercial future. Ceccini made quite clear that the will to succeed is a more potent factor than any calculation of statistical likelihoods.

Of course there is much disagreement on the shape wanted for Europe. That cannot be decided yet: it is up to a younger generation. But we could so easily pre-empt their choice by being destructive. A poor Europe is not a player; it is a non-Europe. I am heartened that the letter appears to appoint me (honorary) press and publicity officer for the EC. Will Jacques Delors please testify? Fred Tuckman, 6 Cumberland Road, SW13

'Forget a land tax . . .'

From Mr Giles Keating. The old ceremony of the "tax advantages to owner occupancy," used by John Muellbauer (March 20) in his proposal for a tax on land values, looks rather threadbare. Mortgage interest relief is now of limited importance to the wealthier parts of the UK, although it continues to support housing in the least prosperous regions. The other two major tax breaks for owner occupiers are the capital gains tax (CGT) exemption and, once again, the lack of any tax on the "rummaging yield" of a house - that is, on the benefit of occupying it.

Following recent budgets, savers have a range of financial instruments offering the same or better treatment. They can put £4,800 annually into personal equity plans (PEPs), 15 per cent of gross income into FSAVCs (free-standing additional voluntary contributions), and at least that into their pension, and £2,400 on more into high-yielding National Savings products such as the Yearly Plan. Moreover, for most people the CGT exemption on first homes is not generous compared to the treatment of financial assets. Gains on a

financial portfolio can be realised at any time, thus utilising the annual exemption limit. By contrast, partial disposals of a house are impossible. A portfolio of financial assets worth £175,000 and giving a real yield of 2.8 per cent would incur no CGT liability provided £5,000 of gains were realised annually, while a house of the same value would incur a substantial tax liability on disposal, were it subject to CGT. Second homes already suffer from this. The CGT exemption on housing is distortionary only because it has no upper limit. Moreover, stamp duty is levied at 1 per cent on the whole value of houses purchased for more than £50,000. Equities are subject to 0.5 per cent; gifts and other bonds are exempt. The solution is clear. Forget John Muellbauer's proposed land tax. Instead, scrap stamp duty on house purchases and balance that with the imposition of CGT on the value of houses over, say, £200,000. Or (more elegant but more complex) replace the blanket exemption by an accumulating annual housing exemption of, say, £10,000.

'Best advice' problem in estate agents

From Mr Kevin McGarry. Sir, Thank God that someone is at last speaking out on the situation in estate agents, a result of the Financial Services Act (FSA). I refer to the Law Society's concern over the progressively deteriorating position of buyers and 'best advice' by financial institutions to purchase firms of estate agents' (FT, March 14). As an independent broker working within an estate agent in West London I find it appalling that an act brought out the statute book to protect consumer rights and make "best advice" easily available has had the opposite effect. As large financial institutions rush to "tie" the various estate agents to their particular prod-

uct, the number of high street outlets offering independent advice is rapidly dwindling. It is easy, especially for a first time buyer, to enter an estate agents to buy a property, and use the "in-house" financial services. That this is "best advice" in terms of all the options available is contradictory. The new disclosures of commission amendments which will no doubt be added to the FSA will also impede the independent: it is being proposed that the independent must disclose the exact amounts of commission it is getting. In effect, a tied agent can earn 30 per cent more in commission from the life company for selling exactly the same product

which is available from the independent agent. Surely that represents an "inducement" to sell one particular company's product. Why - when an independent broker can be deemed as not giving best advice for commission reasons only - can large building societies and estate agents be allowed to "tie" to one life company for what appears to be the same reason? By all means let disclosure of commission be standard practice, but throughout the whole industry, and to the same degree. Kevin McGarry, Elymore Associates, Ripper Row & Chapman, 16c High Street, Hounslow, Middlesex

that the tax should be limited to property which is actually or potentially for residential purposes. If one also aims to encourage efficient development of underused resources in inner cities and to counter regional imbalance, it follows that a tax on land values should include non-residential property which is actually or potentially used for commercial and industrial purposes. S.L. Bond, 1 Lynton Green, Maidenhead, Berkshire

which recommends an increase in the rate of land value tax from the present 1.4 per cent, on the ground that CGT is a greater deterrent to selling than the land tax is to holding. As for exemptions, they need to be avoided. A better procedure, presupposing the retention of domestic rates, is to assess land and building separately, and to charge on land at a much higher rate. David Redfern, 15 Fennell's Close, Eastbourne, East Sussex



**MARKET STATISTICS**

**ECONOMIC DIARY**

**TOMORROW:** British summer time begins. National Union of Teachers holds annual conference in Blackpool (until March 29). Nationwide elections for newly constituted Soviet parliament. Sir Geoffrey Howe, Foreign Secretary, begins visit to sub-continent (Pakistan March 26-29, India, Doha and Bahrain March 29-April 1). General elections in Laos. Nationwide municipal elections in Turkey.

**MONDAY:** Mrs Margaret Thatcher, Prime Minister, pays two-day visit to Morocco (also Algeria, Sudan, Zimbabwe, and Malawi) (until April 2). National Association of Schoolmasters/Union of Women Teachers annual conference in Eastbourne (until March 31). Foreign ministers open regular session in Tunis.

**TUESDAY:** Confederation of British Industry publishes industrial trends enquiry for March. Mrs Thatcher visits Zimbabwe. Biggest Yugoslav republic Serbia plans proclamation of changes to its constitution, covering autonomy of its provinces Kosovo and Vojvodina. Iranian parliament to debate ties with Britain. Pulling of central committee meeting in Algiers on next stage of political reforms.

**WEDNESDAY:** Personal income and expenditure (fourth quarter). Industrial and commercial companies (fourth quarter). Balance of

**EUROPEAN OPTIONS EXCHANGE**

Series	May 89	Apr 89	Mar 89	Feb 89	Jan 89	Dec 88
FTSE 100	2,980	2,940	2,910	2,880	2,850	2,820
FTSE 250	2,400	2,360	2,330	2,300	2,270	2,240

Series	Apr 89	Mar 89	Feb 89	Jan 89	Dec 88
FTSE 100	2,980	2,940	2,910	2,880	2,850
FTSE 250	2,400	2,360	2,330	2,300	2,270

**BASE LENDING RATES**

Bank	Rate	Bank	Rate
ABN Bank	13.50	Cyprus Bank	13.50
AAIB	13.50	Deutsche Bank	13.50
AAIB - Allied Irish	13.50	Edinburgh Bank	13.50
Allied Irish Bank	13.50	First National Bank	13.50
Bank of America	13.50	First Scottish Bank	13.50
Bank of Australia	13.50	First Western Bank	13.50
Bank of Canada	13.50	First Yorkshire Bank	13.50
Bank of China	13.50	First Yorkshire Bank	13.50
Bank of India	13.50	First Yorkshire Bank	13.50
Bank of Japan	13.50	First Yorkshire Bank	13.50
Bank of Korea	13.50	First Yorkshire Bank	13.50
Bank of Kuwait	13.50	First Yorkshire Bank	13.50
Bank of Lebanon	13.50	First Yorkshire Bank	13.50
Bank of Malaya	13.50	First Yorkshire Bank	13.50
Bank of Mauritius	13.50	First Yorkshire Bank	13.50
Bank of Mexico	13.50	First Yorkshire Bank	13.50
Bank of New Zealand	13.50	First Yorkshire Bank	13.50
Bank of Oman	13.50	First Yorkshire Bank	13.50
Bank of Pakistan	13.50	First Yorkshire Bank	13.50
Bank of Portugal	13.50	First Yorkshire Bank	13.50
Bank of Romania	13.50	First Yorkshire Bank	13.50
Bank of Saudi Arabia	13.50	First Yorkshire Bank	13.50
Bank of Singapore	13.50	First Yorkshire Bank	13.50
Bank of South Africa	13.50	First Yorkshire Bank	13.50
Bank of Sri Lanka	13.50	First Yorkshire Bank	13.50
Bank of Sweden	13.50	First Yorkshire Bank	13.50
Bank of Switzerland	13.50	First Yorkshire Bank	13.50
Bank of Taiwan	13.50	First Yorkshire Bank	13.50
Bank of Thailand	13.50	First Yorkshire Bank	13.50
Bank of Trinidad	13.50	First Yorkshire Bank	13.50
Bank of the Netherlands	13.50	First Yorkshire Bank	13.50
Bank of Tonga	13.50	First Yorkshire Bank	13.50
Bank of the West Indies	13.50	First Yorkshire Bank	13.50
Bank of Yugoslavia	13.50	First Yorkshire Bank	13.50
Bank of Zambia	13.50	First Yorkshire Bank	13.50
Bank of Zimbabwe	13.50	First Yorkshire Bank	13.50

**FT-ACTUARIES SHARE INDICES**

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Equity Groups & Sub-sections	Thursday March 23 1989	Wed Mar 22	Tue Mar 21	Mon Mar 20	Year ago (approx)	High	Low	Since Completion
1 CAPITAL GOODS (207)	963.79	967.21	974.23	974.23	974.23	775.54	1038.07	56.71 1312.74
2 Building Materials (28)	1192.53	1199.99	1211.22	1211.22	1211.22	929.06	1381.06	44.27 1124.24
3 Contracting, Construction (38)	1766.08	1771.51	1785.49	1785.49	1785.49	1444.31	1953.50	51.19 1212.19
4 Electricals (10)	2764.18	2771.51	2785.49	2785.49	2785.49	2294.30	2992.24	67.94 1212.19
5 Electronics (20)	2097.21	2101.51	2115.49	2115.49	2115.49	1774.94	2226.79	44.85 1194.85
6 Mechanical Engineering (35)	306.36	307.51	308.99	308.99	308.99	254.37	354.57	10.20 1124.24
7 Metals and Metal Forming (7)	536.20	537.51	538.99	538.99	538.99	454.21	594.62	40.41 1124.24
8 Motors (17)	308.69	309.51	310.99	310.99	310.99	254.37	354.57	10.20 1124.24
9 Other Industrial Materials (22)	1285.94	1287.51	1288.99	1288.99	1288.99	1031.43	1378.00	34.57 1124.24
10 CONSUMER GROUP (186)	1161.57	1163.51	1164.99	1164.99	1164.99	944.74	1308.74	36.00 1124.24
22 Brewers and Distillers (22)	1264.42	1265.51	1266.99	1266.99	1266.99	1031.43	1378.00	34.57 1124.24
25 Food Manufacturing (27)	1018.85	1019.51	1020.99	1020.99	1020.99	824.04	1197.25	37.21 1124.24
26 Food Retailing (15)	1975.43	1976.51	1977.99	1977.99	1977.99	1594.44	2356.04	76.60 1124.24
27 Health and Household (13)	2134.61	2135.51	2136.99	2136.99	2136.99	1772.89	2499.43	72.54 1124.24
28 Leisure (37)	1314.85	1315.51	1316.99	1316.99	1316.99	1031.43	1378.00	34.57 1124.24
31 Packaging & Paper (17)	583.28	584.51	585.99	585.99	585.99	467.36	601.24	33.88 1124.24
32 Publishing & Printing (18)	1462.72	1463.51	1464.99	1464.99	1464.99	1174.24	1752.24	58.00 1124.24
34 Stores (33)	765.60	766.51	767.99	767.99	767.99	607.72	824.04	21.67 1124.24
35 Textiles (15)	513.33	514.51	515.99	515.99	515.99	414.52	614.52	10.00 1124.24
40 OTHER GROUPS (94)	1238.62	1239.51	1240.99	1240.99	1240.99	1031.43	1378.00	34.57 1124.24
41 Agencies (18)	1238.62	1239.51	1240.99	1240.99	1240.99	1031.43	1378.00	34.57 1124.24
42 Chemicals (22)	1213.07	1214.51	1215.99	1215.99	1215.99	1031.43	1378.00	34.57 1124.24
43 Conglomerates (11)	1975.43	1976.51	1977.99	1977.99	1977.99	1594.44	2356.04	76.60 1124.24
45 Shipping and Transport (13)	2339.99	2340.51	2341.99	2341.99	2341.99	1885.25	2794.74	90.49 1124.24
47 Telecommunications (29)	1141.65	1142.51	1143.99	1143.99	1143.99	914.24	1374.18	45.94 1124.24
48 Miscellaneous (28)	1473.25	1474.51	1475.99	1475.99	1475.99	1183.56	1773.75	59.19 1124.24
49 INDUSTRIAL GROUP (487)	1197.94	1198.51	1199.99	1199.99	1199.99	954.14	1368.64	41.50 1124.24
51 Oil & Gas (13)	1963.65	1964.51	1965.99	1965.99	1965.99	1575.48	2352.48	77.00 1124.24
52 FINANCIAL GROUP (260)	1173.30	1174.51	1175.99	1175.99	1175.99	1031.43	1378.00	34.57 1124.24
61 FINANCIAL GROUP (260)	1173.30	1174.51	1175.99	1175.99	1175.99	1031.43	1378.00	34.57 1124.24
62 Banks (10)	748.00	749.51	750.99	750.99	750.99	607.72	824.04	21.67 1124.24
63 Insurance (Lloyd's)	1873.52	1874.51	1875.99	1875.99	1875.99	1504.67	2242.83	74.16 1124.24
64 Insurance (Company)	596.37	597.51	598.99	598.99	598.99	472.72	614.52	13.80 1124.24
67 Insurance (Broker)	949.77	950.51	951.99	951.99	951.99	764.44	1174.24	40.80 1124.24
68 Merchant Banks (11)	333.94	334.51	335.99	335.99	335.99	272.88	397.00	12.12 1124.24
69 Property (53)	1141.65	1142.51	1143.99	1143.99	1143.99	914.24	1374.18	45.94 1124.24
70 Other Financial (32)	373.82	374.51	375.99	375.99	375.99	302.49	445.48	14.99 1124.24
71 Investment Trusts (73)	1484.75	1485.51	1486.99	1486.99	1486.99	1175.43	1822.04	64.61 1124.24
81 Mining Finance (2)	636.16	637.51	638.99	638.99	638.99	514.52	727.93	21.41 1124.24
93 Overseas Traders (5)	1394.35	1395.51	1396.99	1396.99	1396.99	1114.24	1674.74	56.50 1124.24
99 ALL-SHARE INDEX (799)	1048.88	1049.51	1050.99	1050.99	1050.99	818.23	1318.00	50.77 1124.24

**FIXED INTEREST**

PRICE INDICES	Thu Mar 23	Wed Mar 22	Tue Mar 21	Mon Mar 20	Year ago (approx)	High	Low
1 British Government	9.43	9.41	9.41	9.41	9.41	8.88	9.92
2 5 years	118.05	117.97	117.97	117.97	117.97	108.12	127.74
3 5-15 years	158.53	158.53	158.53	158.53	158.53	148.88	168.12
4 15-25 years	146.94	146.94	146.94	146.94	146.94	137.12	157.12
5 All stocks	192.60	192.59	192.59	192.59	192.59	182.59	202.59

**BANK RETURN**

LIABILITIES	Wednesday March 22, 1989	increase or decrease for week
Capital	14,503,000	+ 318,206
Public Deposits	1,165,150,000	+ 142,382,465
Bankers Deposits	1,830,447,492	+ 31,502,046
Reserve and other Accounts	3,112,088,022	+ 110,542,113
<b>ASSETS</b>		
Government Securities	809,840,000	- 11,753,320
Advances and other Accounts	774,883,000	+ 88,238,235
Finance Equipment & other Secs	1,554,857,547	+ 83,298,728
Notes	9,188,432	+ 1,238,238
Other	232,708	+ 4,277
<b>ISSUE DEPARTMENT</b>		
LIABILITIES		
Notes in circulation	14,770,810,288	+ 478,781,781
Notes in Banking Department	9,188,432	+ 1,238,238
<b>ASSETS</b>		
Government Debt	11,015,100	+ 1,472,435,804
Other Government Securities	11,071,153,207	+ 982,435,804
Other Securities	14,780,000,000	+ 480,000,000

**European Assets Trust**  
The net asset value at 28th February, 1989 DfT 6.96

**THE FOOD INDUSTRY**  
The Financial Times proposes to publish this survey on: 18th April 1989

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INTERNATIONAL COMPANIES AND FINANCE

Polaroid wins court fight against Shamrock bid

By Roderick Oram in New York

POLAROID, the US instant photography group, has won its eight-month fight against a \$3.2bn takeover offer from Shamrock Holdings...

defeat, saying it would tender its 6.9 per cent stake of 5m shares to Polaroid. The court ruling cleared the way for Polaroid to complete the buy back of 22 per cent of its common stock at \$50 a share...

the company's stock will now be in friendly hands. Thus protected from takeover, the present management hopes to capitalise on its restructuring efforts of recent years.

BNP-UAP link details unveiled

By George Graham in Paris

BANQUE NATIONALE de Paris (BNP), the largest French commercial bank, and Union des Assurances de Paris (UAP), the leading French insurer, have unveiled details of their plan to exchange shares...

unnecessary screen between the two groups," he said. Mr Jean Peyrelevade, chairman of UAP, added that the groups would retain their separate identities...

policies aimed at smaller companies. UAP agents, meanwhile, will start to sell BNP's car loans, home mortgages and revolving credit facilities...

Pernod Ricard 22% ahead

PERNOD RICARD, the French drinks group which won a takeover battle for Irish Distillers at the end of 1988, has reported a 23 per cent rise in group net profits for the year to FF745m (\$117.8m) excluding minority interests...

aniseed-based Ricard, Pernod and Pastis 51 aperitifs, is still Pernod's cash cow, accounting for 62 per cent of group net profits, but only 43 per cent of total sales of FF713.5bn.

Mr Ricard said that the non-alcoholic division was profitable, however, and that sales had increased despite the loss of some regional concessions for Coca-Cola in France.

Ferruzzi in oil and paper acquisitions

FERRUZZI, the Italian agricultural industrial concern, is spending nearly \$60m on two acquisitions in the edible oils and pulp and paper sectors, writes George Graham in Milan.

the group's European market share is 15 per cent. Ferruzzi also claims 22 per cent of the European seed oil market.

in Sarriso Tisu, which it is acquiring through Saci, its consumer products holding group.

Thomson lifts 1988 earnings by 14%

By Paul Betts in Paris

THOMSON CSF, the French state-controlled defence and electronics group, has reported a 14 per cent rise in consolidated net profits to FF2,975m (\$469.8m) last year, although sales declined by 6.6 per cent to FF23.5bn, reflecting in part that Thomson SA, the medical equipment business.

Stampede for risky Nevada ranch

By Roderick Oram

WITH SOME 1,600 stockbrokers around the world clamouring for a piece of the action, Mustang Ranch is the hottest new issue to hit the US over-the-counter market in years.

primary risk - "One AIDS case and they're finished," an underwriter conceded in an interview. Whereas any other enterprise might collapse under these burdens, Mustang Ranch has one thing going for it - the oldest business activity in the world. Technically, it calls itself a 102-room boarding house eight miles east of Reno, Nevada. In practical terms, it claims to be the world's largest legal brothel.

Mustang Ranch may have tapped a huge new market, judging by public interest. A California radio station is running a contest to find the company's new slogan. The favoured entry to date is: "Go long on the Mustang Ranch but be sure to check out the naked options."

Novell and Excelan, two leading suppliers of computer local area network systems, have agreed to merge in a stock swap deal valued at about \$175m. The combined company will have annual revenues of about \$350m, making it the third largest networking company, behind IBM and Digital Equipment.

Siemens buys 52% of French computer maker

By Paul Betts

SIEMENS, the West German electronics group, has acquired a 51.7 per cent stake in IN2, a French computer manufacturer, for FF246m (\$54.7m) in a move which will give it strategic opening in the French personal computer market.

IN2, with annual sales of FF1.1bn, manufactures and markets the Leonard range of IBM compatible personal computers as well as minicomputers. Siemens said it planned to make IN2 the main platform of its microcomputer operations in France.

Siemens acquired its stake from the French Interchange group, which will continue to hold a minority interest in IN2 of around 18 per cent.

Semi-Tech agrees Singer deal with Inter-Pacific

By Michael Marray in Hong Kong

THE HONG KONG listed Semi-Tech Microelectronics, Far East and Malaysian-controlled Inter-Pacific Acquisition have agreed to end their takeover battle for SSMC, the maker of Singer sewing machines.

US computer networking groups agree to merge

By Louise Kehoe in San Francisco

NOVELL AND Excelan, two leading suppliers of computer local area network systems, have agreed to merge in a stock swap deal valued at about \$175m. The combined company will have annual revenues of about \$350m, making it the third largest networking company, behind IBM and Digital Equipment.

HK shipping stake sale

By Michael Marray

ORIENT OVERSEAS Holdings, the Hong Kong shipping group, has agreed the sale of a 5 per cent stake in Hongkong International Terminals (HIT), in a deal which will reduce its stake in HIT to 10 per cent and through its principal operating subsidiary.

Varsity recovery continues

By David Owen in Toronto

VARITY, THE Canadian farm equipment and industrial engine maker formerly known as Massey-Ferguson, has reported its highest net earnings since 1976.

WORLD COMMODITIES PRICES

Table with multiple columns: Commodity Name, Price, Change, High/Low. Includes sections for London Metal Exchange, Spot Markets, Cocoa, Potatoes, Soyabean Meal, Freight Futures, and Grain D/tonnes.

US MARKETS

Table with multiple columns: Commodity Name, Price, Change, High/Low. Includes sections for Copper, Gold, Silver, and various oil products.

Chicago

Table with multiple columns: Commodity Name, Price, Change, High/Low. Includes sections for Soyabean Meal, Maize, and Live Cattle.

NEW YORK

Table with multiple columns: Commodity Name, Price, Change, High/Low. Includes sections for Gold, Silver, and various oil products.

INDICES

Table with multiple columns: Index Name, Value, Change, High/Low. Includes sections for Dow Jones, S&P 500, and Nikkei.

REUTERS

Table with multiple columns: Index Name, Value, Change, High/Low. Includes sections for various international indices.

INTL COMPANIES

Securities firms to head list of Tokyo 'auction' flotations

By Stefan Wagstyl in Tokyo

THE FIRST five companies to be floated on the Tokyo Stock Exchange after the introduction of a controversial auction system next month will all be securities houses at the behest of the Japanese Ministry of Finance.

The ministry has asked leading brokers to bring to the front of the flotation queue securities affiliates which they intended to list anyway in the near future. The idea is to ensure that the securities firms have a direct interest in getting the system off to a smooth start.

The issuing houses are under pressure to ensure nothing goes wrong because of widespread criticism of alleged abuses under the current flotation system. Auctions for pricing new issues are replacing a system under which issue price is calculated on the basis of the return follows from the sale of the securities at the offer price on the first day of trading.

There was suspicion that investors connected to a new issue company and to the stockbroker house handling the sale made big profits. The authorities were stirred into action by revelations last summer that politicians, businessmen and others had won from the flotation in 1986 of

Recruit Cosmos, a property company controlled by Recruit, a business information group.

Official concern was heightened by the sale of shares last November by Mitsubishi Motors Corporation which jumped to a 70 per cent premium on the first day. The company and Nikko Securities, its sponsor, were embarrassed by reports that members of the public who tried to buy shares in the offer were told it was sold out - days before the subscription list officially opened.

Under the new scheme, companies will have to sell between a quarter and half of an issue - and at least 1m shares - in a pre-flotation auction. Bidders will be limited to a maximum of 5,000 shares and those who have an interest in either the company or its sponsoring brokerage will be barred from the auction.

The floor price at auction will be set near the prevailing price for a similar quoted company - taking activity, size and financial performance into account. The maximum auction price will be fixed at 30 per cent above the floor price.

An official of Universal Securities, a part-owned affiliate of Daiwa Securities and the first firm on the flotation list, said: "This has happened because of Recruit. The ministry is very concerned that the price movements should be narrower."

Daiwa agrees French link

By Ian Rodger in Tokyo

DAIWA SECURITIES, one of Japan's Big Four securities houses, and Credit Agricole, France's largest bank, have agreed to co-operate in the mergers and acquisitions (M&A) business in the two countries.

This will be the second such deal for Daiwa in Europe. Earlier this month, it announced an agreement with the Agnelli business group in Italy. The group is seeking similar links in Britain and West Germany in anticipation of an increase in

M&A activity in Europe in the run-up to the 1992 market integration of the European Community.

The arrangement with Credit Agricole is for the moment, just to exchange information between Daiwa Europe, Daiwa's London-based subsidiary, and an investment banking subsidiary of Credit Agricole.

A Daiwa official said the firm had had various contacts with Credit Agricole over a long period, including managing Agnelli's debt issues.

FOREIGN EXCHANGES

Dollar held in narrow range

MAJOR CURRENCIES traded quietly on Thursday - the last day before the long Easter break for most financial centres. Figures on US Gross National Product in the fourth quarter of 1988, and UK inflation figures for February were much within market expectations.

Consequently both the dollar and sterling were left to trade in a relatively narrow range as most investors squared off positions and retreated to the sidelines.

US GNP data was revised upwards to show a rise in the fourth quarter of 2.4 per cent against 2.0 per cent previously. However, both the GNP deflator and the fixed weight deflator were unchanged from previous estimates at 5.3 per cent and 4.2 per cent respectively.

While the dollar may retain a bullish undertone, there has been very little incentive to push it firmer just recently. On

Wednesday night Mr Alan Greenspan, chairman of the US Federal Reserve, said that tighter US monetary policy has not yet fully filtered through to the US economy. This was taken as a clear sign of the Fed's reluctance to move interest rates firmer just yet.

At the same time, the West German authorities have suggested that current domestic interest rate levels should be sufficient to counter inflationary trends. With central banks clearly looking for a period of stability, investors have taken more of a wait and see attitude.

The dollar closed at DM1.8714, benefiting from a little late short-covering. It closed on Wednesday at DM1.8690. It was also higher against the yen at ¥131.25 from ¥131.10. Elsewhere, it finished at SFr1.6260 from SFr1.6225 and with FFfr3.3325 compared with FFfr3.3300. On Bank of England figures, the dollar's exchange rate index fell to 67.9 from 68.0.

UK inflation rose by 0.7 per cent to give an increase over the last year of 7.8 per cent compared with 7.5 per cent in the year to January. Market reaction was rather muted. The figure had been discounted earlier, warning by Mr Nigel Lawson, UK Chancellor, that inflation would peak somewhere around 8 per cent. Much of the increase was due to increased mortgage costs, as shown by the underlying rate which was higher by just 0.2 per cent at 5.7 per cent.

On Bank of England figures, the pound's exchange rate index was 96.5 against 96.7 at the opening and 96.6 on Wednesday.

Sterling slipped to \$1.7210 from \$1.7225, but was unchanged against the D-Mark and yen at DM3.2200 and ¥225.75 respectively. Elsewhere, it closed at SFr2.7975 from SFr2.7950 and with FFfr10.8975 compared with FFfr10.9225.

C IN NEW YORK table with columns for Date, Price, and Change. Includes data for Gold, Silver, and various currencies.

STERLING INDEX table with columns for Date, Price, and Change. Includes data for Sterling, US Dollar, and other currencies.

CURRENCY RATES table with columns for Currency, Rate, and Change. Includes data for Sterling, US Dollar, and other currencies.

CURRENCY MOVEMENTS table with columns for Currency, Rate, and Change. Includes data for Sterling, US Dollar, and other currencies.

OTHER CURRENCIES table with columns for Currency, Rate, and Change. Includes data for various international currencies.

FORWARD RATES AGAINST STERLING table with columns for Currency, Rate, and Change. Includes data for various international currencies.

MONEY MARKETS table with columns for Currency, Rate, and Change. Includes data for various international currencies.

INTEREST RATES table with columns for Currency, Rate, and Change. Includes data for various international currencies.

FT 100 INTERBANK FIXING table with columns for Currency, Rate, and Change. Includes data for various international currencies.

MONEY RATES table with columns for Currency, Rate, and Change. Includes data for various international currencies.

LONDON MONEY RATES table with columns for Currency, Rate, and Change. Includes data for various international currencies.

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CURRENCIES, MONEY AND CAPITAL MARKETS

Table with columns for Currency, Rate, and Change. Includes data for various international currencies.

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LONDON TRADED OPTIONS. Table listing various options with columns for Currency, Rate, and Change. Includes data for various international currencies.

WORLD STOCK MARKETS

NEW YORK (Closing)

Table of New York stock market closing prices for various companies including AAP, AMR, AMR Corp, and others.

NEW YORK (Closing)

Table of New York stock market closing prices for various companies including Amgen, Amgen Corp, Amgen Inc, and others.

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INDICES

Table of stock market indices including Dow Jones, S&P 500, and others.

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Base values of all indices are 100 except NYSE All-Common - 1926 and Toronto Composite and Nikkei - 1950. Toronto indices based on 1975 and Montreal Portfolio 47/83. Excluding bonds, preferred stock, and convertible bonds.

WORLD STOCK MARKETS

ASIA PACIFIC

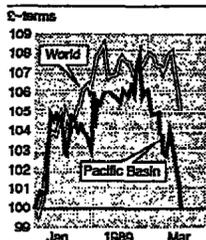
Nikkei slips as spring lull hampers trading volume

**Tokyo**  
INTEREST in equities suffered from spring lull yesterday, and share prices eased in very quiet trading, writes *Mitsuyo Nakamoto* in Tokyo.  
Thursday had seen a moderate rebound in share prices, with the Nikkei average finishing up 15.42 at 31,581.88. Yesterday, after an early attempt to retain Thursday's strength, the Nikkei average retraced, closing 20.14 down at 31,561.74. The day's high was 31,677.57. Declining stocks led advancing issues by 611 to 220, while 123 issues were unchanged.  
Turnover, at 881.88m shares, was even lower than the 782.25m traded on Thursday. The Topix index of all listed shares decreased 7.17 yesterday to 2,273.00, but in later trading in London the ISE/Nikkei index picked up 6.49 to 1,888.82.  
On Thursday, a recovery in the external environment had helped to revive a measure of confidence in the market. Investors were beginning to feel that the market had hit

bottom for the time being and expectations of a rally began to surface again.  
Yesterday, however, activity was "very, very slow," according to Mr Nicola Salati at UBS Phillips and Drew. Investors were reluctant to take an active part in the market before the closing of their books, and preferred to await the outcome of managers' meetings at two of the major firms.  
Even the launch of new investment trust funds, of which an estimated ¥300bn was expected to flow into the equity market, failed to stir interest. New investment trust funds have not been selling well under the present market environment, analysts said.  
Fears about inflationary pressures abroad and at home, on higher oil prices and a weaker yen, kept market participants wary. Investors and dealers expect the market to be slow-going until next month, with interest focusing mainly on special situation stocks.  
Steels, which had seen some gains on Thursday, fell back yesterday. Nippon Steel, the

most actively traded issue with 28.2m shares, lost ¥5 to ¥900. Daido Steel, which gained ¥200 on Thursday, dropped ¥80 to ¥1,530. It was second on the volume list with 21.5m shares. NKK, however, which was third in volume with 17.7m shares, advanced ¥13 to ¥930.  
Construction issues succumbed to profit-taking, which was not unexpected considering their recent high levels. Fujita, which had risen ¥80 on Thursday, fell ¥30 to ¥2,130. Kajima fell ¥80 to ¥2,420 and Sato Kogyo ¥40 to ¥2,440.  
NTT, which at one stage had recovered to the level of its original issue price of ¥1.8m on Thursday, fell back ¥30,000 to ¥1.57m. Investors have been discouraged by talk of splitting up NTT into several companies.  
Moreover, the Finance Minister said he was considering delaying the fourth public offering of NTT shares, scheduled for this autumn, and reducing the number of shares to be offered.  
Trading in Osaka was as phlegmatic as in Tokyo and the OSE average fell 20.73 to 3,045.62.

FT-A World Indices



29,825.36. Volume, however, improved to 189,74m shares from the 167.78m traded on Thursday.  
Tokyo Electric Power made a sharp recovery, increasing ¥240 to ¥6,090.

Roundup

THE MAIN Asia Pacific markets were closed yesterday. On Thursday SINGAPORE again saw very heavy turnover at 10m shares. The Straits Times industrial index fell 2.71 to 1,180.75.  
AUSTRALIA was quiet and the All Ordinaries index lost 2.7 to 1,486.0. Chase Corp rallied 1 cent to 48 cents following its rescue by AFP Group.  
HONG KONG drew moderate volume of HK\$1.22bn, and the Hang Seng index rose 12.57 to 3,045.62.

AMERICA

Technical move pulls Dow sharply lower

Wall Street

A MYSTIFYING afternoon sell-off took blue chip stocks sharply lower on Thursday in thin trading before the Easter weekend, writes *Anatole Kalisky* in New York. Wall Street was closed yesterday for the Good Friday holiday.  
The Dow Jones Industrial Average lost 20.17 to 2,243.04, in spite of a further modest improvement in bonds.  
Broader market indices, however, were hit much less severely by what analysts described as a technical move that had been exaggerated by computerised programme trading in an otherwise inactive market. The Standard & Poor's 500 fell only 1.51 to 288.58, while, in the over-the-counter market, the NASDAQ OTC average rose 0.57 to 400.94.

Trading on the New York Stock Exchange was moderate at 153m shares, but a large part of this volume was attributed to programme trading and position squaring before the long weekend. Declining shares outnumbered advancing ones by 835 to 665.  
The day began on a positive note, with modest increases in both the stock and bond markets. Bonds held on to some of their gains throughout the day, with the benchmark long bond closing up at 98 1/8, a price at which it yielded 9.21 per cent.  
Stocks, however, began to fall at about lunchtime, with the largest losses registered by transport companies. The Dow Transportation Index fell by 16.65 to 1,008.09.  
Transport businesses are particularly sensitive to economic downturns, and the abrupt declines in airline and

railway issues were thought to reflect growing fears that the Federal Reserve's monetary tightening might ultimately induce a recession.  
Among victims of the transport setback were AMR, parent company of American Airlines, which fell 1 1/8 to \$56 1/8, and Burlington Northern, which was down 3/8 at \$22 1/8.  
Consumer growth stocks, which had been in vogue recently, were also badly hit. Philip Morris lost \$2 to \$114 1/8, while McDonalds declined \$1 1/8 to \$42 1/8.  
Technology stocks did better in what was viewed as a technical reaction to their big losses on Wednesday. Digital Equipment, which had been at the forefront of the declines, recovered \$1 to \$96 1/8.  
Another strong stock was SCA, the film, record and music company. It gained \$1 1/8 to \$51 1/8.

to \$51 1/8 in a report in *Variety* that it was contemplating a merger or financial link with Rank Organisation of the UK.  
**Canada**  
FALLING resource issues pulled Toronto lower on Thursday in thin trading.  
The composite index dropped 11.2 to 3,546.9 on light turnover of 18m shares. Investors kept away after the prime rate increase by banks.  
Bank of Montreal was the most active leading stock, easing \$3 1/8 to C\$27 1/8.  
**SOUTH AFRICA**  
JOHANNESBURG finished mixed on Thursday, with diamond stock De Beers featuring again. It closed 35 cents higher at R21.50 after reaching R24.

EUROPE

Demand for banking issues boosts Milan

MOST of Europe was closed yesterday for the Good Friday holiday, although Milan moved higher in moderate trade. Turnover on Thursday was thin, with many market participants already away for the Easter break, but shares ended generally firmer, writes *Our Morning Staff*.  
MILAN yesterday saw strong demand in the banking sector, and most shares rose after a dull opening. The Comit index gained 0.8 to 600.94. On Thursday, Milan had ended slightly higher after profit-taking had trimmed gains in volume estimated to be similar to Wednesday's 1.170bn.  
Yesterday, BNA bank jumped 1.65, or 5.5 per cent, to L15,950 after the previous night's news that state bank Credito Italiano had raised its stake to 7.9 per cent. Bontiche Sile, parent holding company of BNA, rose 1.2,590, or 5.4 per cent, to L49,500.  
PARIS was underpinned on

Thursday by good profits news and ended near the day's high. The CAC 40 index added 2.85 to 1,624.73 and the CME 50 index rose 1.22 to 459.64.  
The retailing sector took heart from better-than-expected results from Printemps. It rose FF22 to FF259, while low retailer Novovals Galeries tumbled FF28, or 5 per cent, to FF544 and Casino climbed FF12.20, or 5.9 per cent, to FF217.50.  
Thomson-CSF put on FF2 to FF237. At the close, it reported annual profits up 14 per cent, better than expected.  
FRANKFURT finished mixed, with the FAZ index down 1.91 at 548.77 at mid-session and the DAX reflecting a later pick-up by closing 3.10 higher at 1,306.77. Volume was thin at DM2.5bn. As one observer put it: "There was not a great deal going on."  
A fall in overnight call money rates provided a psychological boost, easing wor-

ries about interest rates, while higher-than-expected money supply growth in February did not hurt the market badly, being seen as distorted by seasonal factors, said one analyst.  
Siemens held its annual general meeting, with little new emerging, and the share price ended DM3 lower at DM252.0.  
Chemicals were firm again in the wake of their strong results, with Hoechst up DM2.70 at DM299.40 and Bayer DM2.30 better at DM296.80.  
AMSTERDAM also saw thin trading, with shares given a late lift by a firmer Wall Street start. The CBS tendency index added 0.4 to 170.9.  
Fokker lost fl 1.90 to fl 46.30 on profit-taking. American Airlines confirmed a huge order for Fokker 100s on Wednesday. Center Parc ended 80 cents higher at fl 65 and NMB bank rose fl 2.50 to fl 241 after both forecast higher profits in 1989.  
ZURICH was little changed, with turnover hit by the onset

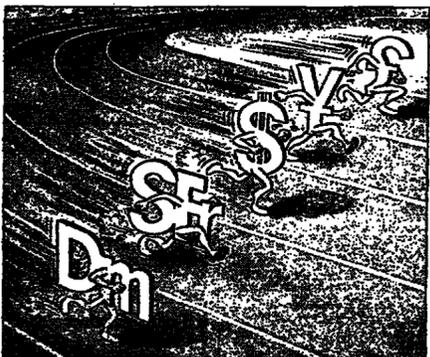
of the holidays. The Credit Suisse index eased 1.4 to 557.1.  
Jacobs Suchard came off on profit-taking, after a positive response on Wednesday to its profits news; its bearers fell SFR60 to SFR7,400. Nestlé bearers gained SFR5 to SFR7,255, reacting to Wednesday's late news of an 11.5 per cent rise in profits, a higher dividend and a one-for-20 rights issue.  
BRUSSELS benefited from the release of healthy results from retailer Delhaize, which rose BFR60 to BFR75,210 on news of 43 per cent higher group earnings and a 30 per cent rise in the dividend.  
STOCKHOLM saw a sharp gain in forestry company Stora as investors continued to snap up the stock after its news on Monday of improved annual profits. Stora rose Bs rose SKR10 to SKR18 following several buy recommendations.  
Trading was generally quiet and the AERSVärlden index edged up 3.2 to 1,118.4.

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY MARCH 23 1989				WEDNESDAY MARCH 22 1989				DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988/89 High	1988/89 Low	Year Ago (approx)
Australia (89)	138.82	+1.0	119.59	111.54	4.96	137.51	118.36	111.68	157.12	91.16	119.90
Austria (18)	107.94	+0.7	92.99	104.67	2.40	107.15	92.23	104.27	107.94	83.72	137.27
Belgium (18)	130.07	+0.1	112.05	125.90	4.12	129.94	111.84	125.94	139.89	99.14	121.96
Canada (125)	133.58	-0.2	115.08	115.06	3.33	133.67	115.22	115.35	137.27	107.06	118.95
Denmark (39)	168.19	+0.0	144.89	166.88	1.89	168.25	144.81	166.88	180.38	111.42	125.01
Finland (26)	145.77	+0.8	125.58	129.10	1.42	145.77	125.47	129.10	147.07	106.78	125.01
France (130)	112.21	+0.3	99.25	114.44	2.86	114.91	98.91	114.19	119.98	72.77	94.23
West Germany (102)	83.05	-0.2	71.54	80.80	2.25	83.24	71.64	80.80	90.40	67.78	79.96
Hong Kong (44)	129.46	+0.7	121.53	129.43	3.78	129.63	117.76	129.63	133.77	84.90	99.36
Ireland (17)	142.26	-0.1	142.26	140.43	3.43	142.66	142.70	140.72	143.66	104.60	121.30
Italy (98)	80.94	+0.2	69.72	83.11	2.44	80.75	69.50	82.87	86.88	62.99	79.37
Japan (456)	183.15	+0.4	157.78	151.95	0.49	182.99	156.98	151.14	200.11	133.61	168.80
Malaysia (24)	161.45	+0.2	129.26	171.09	2.48	161.37	138.90	171.01	161.66	107.23	121.37
Netherlands (13)	167.25	+0.4	144.68	167.58	1.17	166.54	143.34	167.58	182.24	90.07	137.01
Netherlands (39)	116.01	-0.1	99.94	111.75	4.52	116.16	99.98	111.78	117.71	95.23	108.69
New Zealand (24)	70.82	+0.6	61.01	60.90	6.47	70.39	60.59	60.75	84.05	63.32	79.15
Norway (28)	171.22	+0.9	147.50	157.74	1.83	171.16	147.32	157.74	174.29	98.45	128.25
Singapore (26)	146.44	-0.1	126.15	130.99	2.07	146.64	126.21	131.10	147.62	97.32	112.57
South Africa (60)	141.41	-0.2	121.82	127.46	3.97	141.75	122.00	127.77	141.89	98.26	137.70
Spain (42)	146.49	+0.2	126.19	126.19	3.78	146.17	126.81	129.01	164.47	120.73	151.10
Sweden (32)	156.91	+0.1	133.29	148.14	2.31	156.82	134.97	148.05	158.38	96.92	119.92
Switzerland (57)	75.01	-0.2	64.62	75.61	4.40	75.18	64.71	75.63	86.75	74.13	85.05
United Kingdom (314)	147.86	+0.3	127.38	127.38	2.39	147.42	126.88	126.88	153.33	120.66	126.28
USA (568)	117.69	-0.5	101.38	117.69	3.69	118.27	101.79	118.27	121.50	99.19	107.43
Europe (1006)	118.07	+0.1	101.71	108.88	3.58	117.90	101.48	108.66	120.88	97.01	108.95
Nordic (126)	148.70	+0.0	128.10	128.10	1.83	148.17	128.61	128.61	145.86	95.22	111.45
Pacific Basin (675)	170.03	+0.4	154.23	149.06	0.71	178.25	155.42	148.31	194.72	130.81	163.80
Euro-Pacific (1681)	154.67	+0.3	133.24	133.00	1.60	154.14	132.67	132.45	164.22	120.36	141.87
North America (693)	118.53	-0.5	102.11	117.56	3.67	119.10	102.51	118.12	122.71	99.78	108.21
Europe Ex. UK (442)	95.67	+0.0	83.86	97.41	2.91	99.45	85.77	97.36	103.11	80.28	91.87
Pacific Ex. Japan (219)	111.64	+0.7	111.64	112.73	4.40	128.64	110.72	112.57	137.65	87.31	108.40
World Ex. US (1679)	153.81	+0.3	132.50	132.47	1.68	153.31	131.96	131.96	162.77	120.26	141.15
World Ex. UK (213)	120.05	+0.1	119.78	127.46	2.07	138.98	117.62	127.25	146.04	111.77	127.34
World Ex. So. Af. (2387)	139.81	+0.1	120.48	127.45	2.28	139.70	120.25	127.30	146.75	113.26	128.06
World Ex. Japan (1991)	119.09	-0.2	102.59	114.78	3.67	119.32	102.69	115.01	122.37	100.00	108.80
The World Index (2447)	139.82	+0.1	120.45	127.44	2.29	139.72	120.26	127.29	146.51	113.37	128.12

Base values: Dec 31, 1988 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.65 (US \$ index), 114.45 (Pound Sterling) and 123.22 (Local). Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987. Markets closed March 23: Denmark, Finland, Norway and Spain. Latest prices were available for this edition.

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FINANCIAL TIMES  
CONFERENCES

# COMMERCIAL AVIATION AND AEROSPACE

- Towards the Year 2000

## 6 & 7 June, Paris

As the century moves towards its final decade, the world aerospace and commercial aviation industries are busier than ever before. It is to address a variety of issues stemming from the vigorous growth in air travel demand and the increasing liberalisation in Europe and elsewhere, that the Financial Times is holding the latest in its series of world aerospace conferences. The meeting will take place in Paris immediately preceding the international Air Show. Speakers include:

**Mr Stanley Clinton Davis**  
Former EEC Commissioner for Transport, Environment and Nuclear Safety (1985-1989)

**Dr Günter O Eser**  
International Air Transport Association (IATA)

**Mr Peter Martin**  
Frère Cholmeley

**Mr Clifford Palce**  
Civil Aviation Authority

**Mr Wolfgang Philipp**  
Eurocontrol

**Mr Emmanuel Vasseur**  
Banque Indosuez

**Mr Brian H Rowe**  
General Electric Company

**Mr Lawrence W Clarkson**  
Boeing Commercial Airplanes

**M. Henri-Paul Poel**  
Avions de Transport Regional

**Mr Edward W Stimpson**  
General Aviation Manufacturers Association

**Mr Jim P Schwaibe**  
Bell Helicopter Textron

**Mr Eugene Buckley**  
United Technologies Corporation

The language of the conference will be English/French and simultaneous translation will be provided.

A FINANCIAL TIMES CONFERENCE  
in association with  
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Tlx \_\_\_\_\_

Type of Business \_\_\_\_\_



LONDON STOCK EXCHANGE

RPI figure satisfies equity markets

THE UK equity market went home for the Easter holidays in good form, as traders took a favourable view on Thursday of the latest economic statistics from both sides of the Atlantic.

Account Opening Dates table with columns for Year, Month, and Day for various account types.

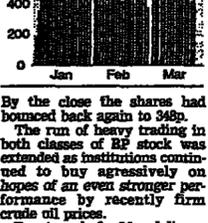
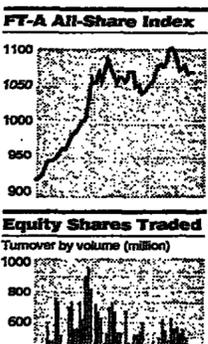
dealers in shares of Scottish & Newcastle and Saatchi & Saatchi - both situations catching market makers wrong-footed - as well as for those throughout the brewery sector where the outcome of the UK monopolies and Mergers Commission enquiry proved a trap for the unwary.

London also responded favourably to the GNP data from the US, described by the US Treasury Secretary as indicating growth without inflation and, despite a lacklustre start by the New York market, UK equities extended mid-session gains to close at the best of the day, albeit in light trading.

While confidence was steady in yesterday's market, and the institutions picked up some blue chip stocks, business died away in the second half of the trading session. Seq volume of 407.8m shares compared with 504.1m on Wednesday.

Gold Fields tumble

The adverse ruling in New York on Minorco's \$2.2bn bid for Consolidated Gold Fields came as a severe blow to London market-makers, who had tended to overlook the significance of the US legal proceedings.



Turnover in British Gas reached 6m and the shares moved up 2 to 179 1/2p. Easter trading was sluggish on the recent bout of nervousness caused by worries that the Texas Eastern deal may be running into problems over pre-emption rights and the shares rallied 7 to 339p.

Color moved up 3 to 379p as nearly 4m shares changed hands mark with Smith New Court said to have been strong supporters of the stock. Mr Steve Turner, old company analyst at Smith New Court said the shares had "underperformed the market by 20 per cent since December, purely on the back of the mild weather during the winter."

A good example was Buzel, which weakened after Tuesday's annual results, despite buy recommendations. The shares recovered 5 yesterday to 617 1/2p.

The clearing banks managed to record modest gains in a generally quiet session. Barclays put on 3 to 432p on turnover of 2.3m. Standard Chartered was a similar amount up at 541p on 1.5m despite a mid-price dip.

Rentokil, after announcing a near 34 per cent jump in profits on Wednesday, leapt 24 to 305p. For the second day running Storehouse was a steady market among listless retail stocks.

Racial Electronic continued to attract the biggest slice of turnover in the front-line electronics issues with 6.1m traded, compared with the 6.7m on Wednesday, 4m on Tuesday and 6.1m on Monday.

"It is now up to Minorco to act quickly, and say whether it intends to appeal against this ruling, and, if so, whether this can be achieved inside the UK Takeover Panel deadline of April 26, or whether they can apply for an extension," commented Mr Jack Jones of Phillips & Drew, the UK securities house.

Gold Fields closed 183 down at 1250p, after rallying from 1215p on some US buying through the American Depository Receipt (ADR) market. There was little opportunity to sell in the London market, and volume reached only 4.7m shares.

By the close the shares had bounced back again to 949p. The run of heavy trading in both classes of RF stock was extended as institutions continued to buy aggressively on hopes of an even stronger performance by recently firm crude oil prices.

A horrid week for Saatchi & Saatchi ended with the shares unable to regain any of the ground lost since the chairman earned last Tuesday of an impending profits setback, the first for nearly twenty years.

Prudential were the star performer in life assurances, advancing a further 5 to 194p a week's rise of 13 1/2p on turnover of 2.7m. The strong performance came in the wake of the preliminary figures announced in midweek which sharply diminished the chances of the group having to raise capital via a rights issue in the near future.

Another good turnover in Rolls Royce followed Wednesday's figures and engine order. The shares pushed 7 ahead to 181p, a 15-month high, as 10m shares changed hands.

Health care firm

AMI Healthcare sprang ahead after a story in an evening newspaper claimed that Britain's largest private health care group, was preparing to make a bid for the company. The story was soon embellished with suggestions of a bid of 25 a share and of likely intervention by the Monopolies and Mergers Commission, details which added vim to keen institutional buying.

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for various sectors like Chemicals, Electronics, and Metals for 1988/89.

RISES AND FALLS

Table showing rises and falls for various sectors like British Funds, Corporate, and Financial for the week.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 based on Thursday March 23 1989 for various sectors.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds with columns for Coupon, Red Date, Price, Change, Yield, Week ago, and Month ago.

"Rumour buying and fact selling," said one dealer, who had weakened the storm better than some. "It's got the adrenalin going, anyway."

Health care firm AMI Healthcare sprang ahead after a story in an evening newspaper claimed that Britain's largest private health care group, was preparing to make a bid for the company.

Other agencies have suffered in the wake of the news, although a number were boosted yesterday. Charles Barker, hit earlier in the week, rebounded 3 to 51p on higher annual profits than expected.

There was also talk that Mr Bond was paying cash for his convertible bonds in ALLIAD, possibly as a prelude to selling his entire holding in the company. "There is a good chance that he's looking for another holder of that stake," said one analyst.

Other brewers were mixed in relatively quiet volume. Leaders Bass and Whitbread added 5 at 908p and 3 at 387p respectively, whereas among busier regionalists Wolverhampton & Dudley was up 44p.

COMMODITIES

WEEK IN THE MARKETS

Talks failure adds to cocoa gloom

WHEAT WAS the last significant bullish news to affect the cocoa market? The question is more difficult than it sounds.

last Friday night the cocoa pact was in deeper crisis than when they started. On the ivory problem neither side would yield, and with the producers already owing \$5m in unpaid dues some consumers now feel the way is open for them to stop paying.

The talks clearly revealed that the two sides are poles apart," commented one analyst. "Somebody must have thought that they would achieve something. But they are left in an untenable position which can only get worse."

Although cocoa dealers had not expected tangible progress at the talks, the negative outcome served to deepen the market's gloom and prepare the way for a further price slide this week.

tombe for the first time since last October. At Thursday's close the price was \$793 a tonne, down from \$820.

Even at the time, however, the response was decidedly muted in a market which was weighed down by near-record stocks, disarray in the International Cocoa Agreement and the intransigent attitude of the Ivory Coast, the world's biggest producer.

The prospect of the cocoa agreement, which is designed to stabilise prices through the operation of a buffer stock system, coming to the market's rescue has long since faded almost to the point of invisibility. So the emergency talks held in London from March 13 to discuss the modification of the price defence range - currently way above the market - and the problem of producing members' non-payment of export levies, excited little hope, let alone expectation.

In the event the producers and consumers attending the meeting agreed on just one thing - to strike the defence range them from the agenda - and when discussions were abandoned ahead of schedule

On the London Metal Exchange last week's general retreat from recent peaks continued until prices rallied on Wednesday. Cash grade A copper dipped to \$1,854.50 a tonne before ending the week \$28.50 up at \$1,906 a tonne; cash high grade zinc completed a seven-day run of falls at Tuesday's \$1,782.50 a tonne, before closing on Thursday at \$1,886 a tonne; and cash aluminium rallied to \$1,990 a tonne from Monday's \$1,975.50 a tonne.

Lord Marsh (above) has been appointed executive chairman of LAURENTIAN HOLDING COMPANY and Laurentian Life. Mr James Cross, deputy chairman and chief executive, is returning to Canada.

FINANCIAL TIMES STOCK INDICES

Table showing financial times stock indices with columns for Mar 23, Mar 22, Mar 21, Mar 20, Mar 19, Year, High, Low, and Since Completion.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks with columns for Stock, Volume, and % Change.

and TACE left dealers short in both. The former added 14 to 355p and the latter 21 to 256p while Rentokil slipped 5 to 152p after posting a 10 per cent decline in full year figures.

Tate & Lyle's decision to buy out the 49 per cent minority in Canadian subsidiary Redpath, and simultaneously sell of Redpath's non-ferrous interests was well received by dealers who welcomed the deal as a positive move.

APPOINTMENTS

Geoff Prince, assistant managing director of Royal International, becomes a director and general manager (corporate services) of Royal UK.

Mr Mike Ing has been appointed a director of ASSURANCE INTERNATIONAL, a Bishopsgate Insurance subsidiary providing a 24-hour overseas emergency service for travellers needing medical care, repatriation, or vehicle repair.

Mr Tira Wannamethee has been appointed a director of BARCLAYS DE ZOEVE WEDD (ASIA), and representative of the BZW Group in Thailand. He is director and general manager of Vickers (Thailand).

Lord Marsh (above) has been appointed executive chairman of LAURENTIAN HOLDING COMPANY and Laurentian Life. Mr James Cross, deputy chairman and chief executive, is returning to Canada.

Mr Michael Jopling, MP for Westmorland and Lonsdale, has been appointed a non-executive director of BLADGEN INDUSTRIES. Mr F. John Briggs retires from the board on June 30.

Mr David Patrick has been appointed director, defence systems division, at COMPUTER SCIENCES COMPANY. He was with Logica.



THE RAVENHEAD CO has promoted Mr Mike Helyer to sales and marketing director. Mr Rod Oates becomes international sales and marketing director.

Mr T.C. Redmond has been appointed an executive director of BOWRING MARINE & ENERGY.

Mr Peter Sawdy has joined the board of LAING PROPERTIES as a non-executive director. He is a non-executive director of Costain Group, and deputy chairman of Hogg Robinson Gardner Mountain.

Mr William I. Savel has been appointed president and chief executive of BASKIN-ROBBINS INC., said to be the world's largest franchised ice cream operation, and a wholly-owned subsidiary of Allied-Lyons. He was president of Peter Paul Cadbury, US, a subsidiary of Cadbury Schweppes Inc.

Berkeley St James's has appointed Mr Charles Ball to the board and elected him chairman. He was chairman of Telephone Rentals, and is deputy chairman of Associated British Ports Holdings.

Mr Ian Carroll has been appointed a main board director of NICO CONSTRUCTION. He was estimating director.

THE BURTON GROUP has appointed Mr John Davies as company secretary in succession to Mr Gerry Slater who is retiring at the end of May. Mr Davies also becomes a member of the executive management board.

Mr Donald Chilvers (above) has been appointed a non-executive director of TRY GROUP. He was a partner at Coopers & Lybrand.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

AUTHORISED UNIT TRUSTS

Main table containing unit trust information with columns for Unit Name, Unit Price, and other financial details. Includes sub-sections like 'GUIDE TO UNIT TRUST PRICING' and 'UNIT TRUSTS'.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information, organized into columns for various trust categories and individual trust details.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

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Main table containing unit trust information, organized into columns for various categories like 'Scottish Amicable', 'Scottish Equitable Life Assn', 'Scottish Life Investments', etc. Each entry includes fund names, prices, and other financial details.

MANAGEMENT SERVICES

David M. Auer (Personal Fin. Plng.) Ltd
The Trustee Services Group Ltd
The Analysis Group PLC

OFFSHORE AND OVERSEAS

GUERNSEY (GBP RECOGNISED)

Guernsey Investment Managers (Guernsey) Ltd
Guernsey Flight Fund Managers (Guernsey) Ltd
Guernsey Life & General Insurance Co Ltd

LUXEMBOURG (GBP RECOGNISED)

Single Star Ltd - Global Asset Fund
Luxembourg Investment Managers Ltd

SWITZERLAND (GBP RECOGNISED)

S.A. Bond Investments AG
S.A. Bond Investments AG

BERMUDA AUTHORISED

GT Management Plc
GT Management Plc

GUERNSEY (\*\*)

Adrian & Heric Fund Mgmt (Guernsey) Ltd
Adrian & Heric Fund Mgmt (Guernsey) Ltd

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Main table for FT Unit Trust Information Service, listing various unit trusts with columns for Name, Type, and other details.

Table for LONDON SHARE SERVICE, including sections for BRITISH FUNDS, AMERICANS, INT. BANK AND O'SEAS, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, LOANS, FOREIGN BONDS & RAILS, and Money Market Trust Funds.

Table for Money Market Bank Accounts, listing various bank accounts with columns for Name, Type, and other details.

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-525-2128

LONDON SHARE SERVICE

CANADIANS

Table of Canadian share prices including companies like Alcan, Inco, and Noranda.

BUILDING, TIMBER, ROADS - Cont'd

Table of share prices for building, timber, and roads sectors.

ELECTRICALS

Table of share prices for electrical companies.

ENGINEERING - Cont'd

Table of share prices for engineering companies.

INDUSTRIALS (Misc.) - Cont'd

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.) - Cont'd

Table of share prices for various industrial companies.

BANKS, HP & LEASING

Table of share prices for banks, home products, and leasing companies.

CHEMICALS, PLASTICS

Table of share prices for chemical and plastic companies.

ENGINEERING

Table of share prices for engineering companies.

FOOD, GROCERIES, ETC

Table of share prices for food and grocery companies.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

Hire Purchase, Leasing, etc.

Table of share prices for hire purchase and leasing companies.

DRAPERY AND STORES

Table of share prices for drapery and store companies.

ENGINEERING

Table of share prices for engineering companies.

HOTELS AND CATERERS

Table of share prices for hotels and caterers.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and roads sectors.

BANKS, HP & LEASING

Table of share prices for banks, home products, and leasing companies.

CHEMICALS, PLASTICS

Table of share prices for chemical and plastic companies.

ENGINEERING

Table of share prices for engineering companies.

FOOD, GROCERIES, ETC

Table of share prices for food and grocery companies.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

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## BR plans sharp rise in freight to tunnel

By Rachel Johnson

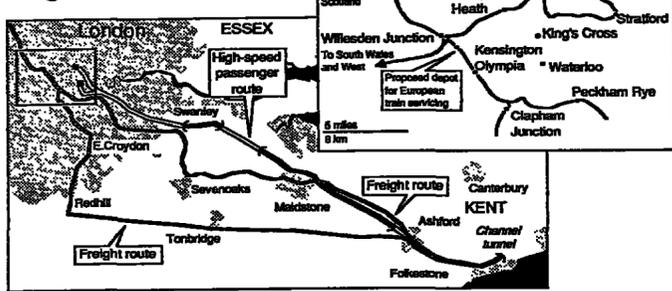
BRITISH RAIL is planning a dramatic increase in the number of freight trains running through suburban south London and Kent after the opening of the Channel Tunnel in 1993. The Channel Tunnel Act obliges BR to seek the maximum possible increase of international freight traffic transported by rail. It must submit proposals for handling the increased number of trains to the Government by the end of the year.

BR has less than 10 per cent of the UK freight market and handles little freight between Britain and the continent. It had intended to route all continental freight traffic through its Willesden depot in west London. Its latest plans, however, envisage a network of up to 12 regional marshalling centres from which trains will run direct to continental destinations.

Willesden will remain the principal junction between Kent and the main rail routes to the north and Midlands, pushing traffic on to suburban lines rather than tracks further from the centre of London. The plans are likely to prompt strong protests from south London residents, even though all the tracks are already used by freight trains.

BR will spend £125m strengthening track to provide

Proposed Channel tunnel freight routes



a smoother passage for its new electric freight trains. It will resist demands for compensation from people living along the routes on the grounds that freight traffic levels are always liable to change.

The decision to use suburban lines to and from Willesden was taken mainly for economic reasons, Mr Philip O'Donnell, director of BR's Railfreight Distribution subsidiary, said. The route was significantly faster than tracks further out of London and would help to attract customers away

from roads and ferries. BR believes existing track can accommodate increases for the foreseeable future. Present plans allow only 70 freight trains through the tunnel every 24 hours. It expects the total number of freight trains, including non-tunnel freight, travelling through south London to increase to 103 every 24 hours by 1993, from the current 67. There could be one freight train a quarter of a mile long every 10 minutes.

It argues that its plans mean

100,000 lorry movements a year will be taken off Kent roads, particularly the M20 and M25, by 1993.

Other trains, however, will be carrying trucks loaded with freight. Eurotunnel, the Anglo-French consortium which will operate the tunnel, hopes to run shuttles carrying lorries every 15 minutes.

Some 2m tonnes of freight a year to and from the continent travel across Britain by rail. British Rail expects rail freight through the tunnel to total 6.1m tonnes a year, while Euro-

tunnel's consultants have forecast 7.2m tonnes of rail freight in 1993 and 13.4m by 2023.

Freight will travel from the tunnel at Folkestone to Ashford on existing track. From there it will take one of two upgraded routes - Tonbridge-Redhill-East Croydon, or Maidstone-Offord-Swanley - which join the west London main line just north of Clapham Junction.

The west London line runs to Willesden via Olympia, and will carry all trains to and from the tunnel.

All continental freight will pass through customs at the Willesden depot. BR expects 75 per cent of the trains to go north where its biggest customers, the automotive and steel industries, are based.

The London boroughs of Southwark, Lambeth and a small corner of Wandsworth will be affected by the high-speed passenger rail link to the tunnel and the designated freight routes.

Some light-rail Kent stations will also see a marked increase in through traffic. British Rail is placing orders for electric and diesel-powered trains worth more than £107m. They will be built by BREL, formerly British Rail Engineering, recently sold to a management and employee buy-out consortium.

## A low blow for Minorco

If the UK Monopolies and Mergers Commission's recent decisions are erratic, it is hard to find a suitable adjective to describe the US court decision blocking Minorco's bid for Consolidated Gold Fields. Why a US court has any jurisdiction over a takeover battle on the other side of the Atlantic, which has already been cleared by the local regulators, is pretty incomprehensible to all but the legal cognoscenti. That said, it is now clear that whereas a week ago Gold Fields' shares were probably worth at least £15, they are now worth £12.50, and anyone who bets otherwise is getting into a very high risk game.

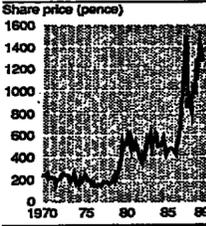
Whatever the merits of the US legal ruling, two points stand out. Instead of defending its bid for Gold Fields solely on anti-trust grounds, Minorco now faces the added problem of having to show that it has not broken US securities laws. This means that even if Gold Fields withdrew its complaint, it would be pretty hard to stop the US regulatory machine continuing to grind through the case. Against this background, it is hard to see how the lawyers can be called off quickly. Even Minorco would not dare call their bluff, and the UK Takeover Panel is unlikely to grant an extension to the bid timetable.

Not only has the US decision derailed the natural momentum of the bid, it has raised considerable questions about the conduct of future multinational takeovers. Barring some unexpected legal breakthrough, Minorco now has two choices to let the bid lapse, or to try to arrange a friendly deal. Either way the outlook for shareholders is far more risky than it was a week ago.

The odds still favour Minorco fighting a long legal battle but there is always an outside chance that it will decide to walk away, and if it did, the shares would not be worth £12.50. A friendly deal would make far more sense. In spite of all Gold Fields' rhetoric, this week's court decision is not good news for its shareholders. It started the legal action, and it will only be good for its shareholders if it results in Minorco having to pay a higher price.

FT Index rose 7.9 to 1,688.4 on Thursday

Consolidated Gold Fields Share price (pence)



is irrelevant. What counts now is not the speed of the economy going into the turn but the speed coming out. Even on that issue, the results season has not been discouraging and while company chairman may not be full of confidence, neither are they asking shareholders to hold tight for a rough ride, as had been feared.

Either the market does not trust the relaxed line from corporate boardrooms, or it has other things on its mind. Judging from the low volume figures, the institutions spent the week dithering. On Friday of last week, a further international interest rate rise seemed unavoidable, now the picture is much less clear. The Chancellor of the Exchequer's inclination must be to hold rates where they are, and starting - which last week held up remarkably well - does not for the moment seem to be getting in the way. But as usual, the decision rests with the Fed, and trying to guess Fed policy on the basis of the market over-reaction to distorted producer and consumer price data is unwise, as next week's FOMC meeting could show.

Meanwhile, it has been a rotten week for market makers. Not only were volumes among the lowest this year, anyone who tried to offset losses with a little honest arbitrage would have been well out of either Gold Fields or Scottish & Newcastle.

Next Friday shareholders in Bestwood, a mini-conglomerate with a mixed pedigree, have to make up their minds whether to stick with a safe and unexciting management team or trust their luck to a former chief executive with a controversial reputation. It is not an easy choice.

During the first year-and-a-half of the previous management, Bestwood's share rose from 50p to a peak of 207p. They then fell back almost as much and Mr Tony Cole, the architect of the company's roller-coaster fortunes, was forced to resign. The new management has taken steps to put the group on a sound financial footing, but it is still not paying a final dividend and its shares have underperformed the market by 14 per cent. So far only the Bank of England has made its views known about Mr Cole's suitability. It is a measure of the weaknesses in the current regulatory structure that no other official body has felt able to publicly address the serious allegations made by both sides.

## Yugoslavia threatens to crush further unrest

By Judy Dempsey

THOUSANDS of ethnic Albanians in Yugoslavia's southern province of Kosovo clashed again with police yesterday in spite of warnings by the authorities that further unrest would be crushed.

The fresh wave of demonstrations against the loss of the region's autonomy were sparked off after the province's assembly voted on Thursday in favour of sweeping constitutional changes, which will give the republic of Serbia greater powers over the running of the province.

The riots, the biggest of which took place on Thursday in the city of Urosevac, 16 miles from the provincial capital of Prishtina, and which involved more than 5,000 demonstrators, were the first serious incidents of violence since 1981 when a wave of nationalist discontent engulfed the province.

Fifty-five demonstrators have been arrested so far, although there are many more

in detention after a partial state of emergency was imposed last month after miners went on strike in protest against the constitutional amendments. These include Mr Azim Vllasi, the former party leader of Kosovo.

The constitutional changes had been spearheaded by Mr Slobodan Milosevic, Serbia's powerful party leader, who last November had already attempted to purge the local leadership in Kosovo on the grounds that it was not doing enough to protect the small Serbian and Montenegrin minorities.

Mr Milosevic and his Serbian nationalist supporters had repeatedly alleged that the Serbs were discriminated against by the 1.2m-strong ethnic Albanian majority, a charge the Albanians have always denied. But ethnic Albanians say the Serbian leader will use the changes to re-impose Serbian language and culture.

## Tate plans to buy all of Canadian subsidiary

By Clay Harris

TATE & LYLE, the UK-based sweetener giant, plans to buy out the 49.9 per cent minority in Redpath Industries, its Canadian subsidiary, and to sell the company's North American motor components and building products businesses.

The deal will complete Tate's transformation from a US-based cane refiner, hindered by the preference given by the European Community to beet sugar producers, to the leading sweetener group in the world - with market leadership in the US and Canada and an increasingly strong position in Europe.

After the disposal of Redpath's non-sugar interests, Tate will be involved solely in the processing of carbohydrates: making cane, beet and cereals into sweeteners, starches and other products such as animal feeds.

In less than a year, through a series of acquisitions and asset swaps, Tate has established itself as the largest cane refiner and second-ranking corn syrup producer in the US and taken control of one of Europe's leading starch groups.

Tate's offer to pay C\$290m (£140m) for the shares in Redpath does not own has been backed by the Canadian company's independent directors. In Toronto on Thursday, Redpath shares returned from the previous day's suspension at C\$14 to close at C\$19, compared with Tate's C\$20 cash offer.

Mr Neil Shaw, Tate's chairman, said the group had decided it could not adequately fund the capital investment needed to expand the automotive business, which makes injection-moulded plastic components for car interiors. The other operation to be sold makes PVC cladding, plastic plumbing fittings and extruded aluminium parts for domestic appliances.

Together, the businesses made operating profits of C\$37.1m in the year to September, more than half of Redpath's total. Mr Shaw said he would be disappointed if the companies did not fetch at least C\$50m more than Tate's cost of buying out the Redpath minority.

The disposals reverse Redpath's policy of diversification begun two decades ago when Canadian government policy restricted its growth in the sugar industry. Redpath also owns 50 per cent of Tate's US sugar interests, which account for 32 per cent of the cane market and 10 per cent of the beet market. Including the Staley corn syrup operation, Tate is the largest US supplier of nutritive sweeteners, with a 20 per cent market share.

Tate shares closed unchanged at 245p on Thursday.

## Ministers fail to end Scottish coal dispute

By James Buxton, Scottish Correspondent

CRUCIAL points of disagreement remain between British Coal and the South of Scotland Electricity Board despite intervention by two government ministers to try to settle their long-running dispute over coal supplies.

On Thursday, the Government announced that the two sides had agreed how much coal the SSEB would buy from the state-owned company over the next five years. But there is no agreement yet on the price of supplies, and British Coal does not appear ready to drop litigation it has initiated against the electricity board.

The board had been due to cease taking supplies from British Coal at the end of this month if no supply agreement was reached. Both sides emphasise privately the political nature of Thursday's announcement, which has been hailed by miners' leaders as safeguarding the future of the three remaining Scottish pits and the jobs of the 3,000 miners left.

The agreement comes after Mr Malcolm Rifkind, the Scottish Secretary, had applied pressure on the SSEB, and Mr Cecil Parkinson, the Energy Secretary, had urged British Coal to compromise. The SSEB has agreed with British Coal to take 2m tonnes of coal a year over the next five years.

The last two years of this agreement depend on the capacity of the power interconnector with England and Wales being boosted by 600MW to allow the SSEB to export power generated at its coal-burning plants.

The row between the two sides, which has caused considerable embarrassment in gov-

ernment circles, has been raging since early last year, when the SSEB rejected terms being offered by British Coal. British Coal took the SSEB to court and the board imported its own tonnes of foreign coal.

Mr Rifkind said on Thursday that talks on details of the agreement, including the price of supplies, would begin soon.

There are wide differences on price between the two sides, with British Coal having asked for £1.25 per gigajoule - the unit of energy in which bulk coal is priced - and the SSEB having offered only the £1.50 it is currently paying. The SSEB has indicated, however, that there is room for negotiation of this figure.

There appears to be no question at this stage of British Coal ending its legal action against the SSEB, in which it is asking the Court of Session to uphold its claim that the board is obliged to buy coal for two power stations until the mid-1990s.

On Thursday, Lord Sutherland rejected the Court of Session's SSEB's contention that if any agreements which the board did not accept existed, they were in breach of the 1976 Restrictive Trade Practices Act. However, there has been no hearing on the main dispute.

Enlargement of the cross-border power interconnector, on which the final two years of the agreement depends, is far from assured. Plan and design work is only now beginning.

In three years, when gas supplies come on stream from the Miller field in the North Sea, the SSEB sees exports as the only use it could make of its coal supplies.

## Suntory wins approval to take over Cognac house

George Graham in Paris

SUNTORY, the Japanese drinks group, has won permission from the French Government to take over the Louis Royer Cognac house, after a two-year legal battle.

The authorisation continues a carefully-controlled inflow of Tokyo investment in the country's luxury sector. It follows the recent approval for the takeover by the rival Asahi Breweries of Lucas Carton, one of Paris's three finest restaurants, on the Place de la Madeleine.

However Takahimaya, one of Japan's leading department store groups, was barred from buying another French cultural monument - Romanée Conti, the leading Burgundy winery - even though it protested that it wanted to acquire only the distributor, not the tiny vineyard.

The sale of Royer has caused furore on the banks of the river Charente, in south-west France, where the world's finest brandy is made. Cognac

is accustomed to foreign investors - last year saw the sale of the house of Martell to Seagram of Canada - but Royer, although smaller, is different. He is a specialist in bulk sales of brandy.

Suntory is already the largest client of Royer, taking its brandy for bottling in Japan and sale under the Suntory label. Some rival Cognac houses fear the development of this practice could damage their Far Eastern sales, as has happened to Scotch whisky distillers in the face of whisky blended in Japan.

Royer, founded in the last century by Louis Royer, has 63 employees and sales of about FF100m (£9.2m) a year. Besides its bulk sales it has recently launched a top of the range XO brand.

Suntory, which already owns a restaurant in Paris and the third-growth claret Château Lagrange, dwarfs Royer with sales almost 250 times higher.

**CHIEF PRICE CHANGES ON THURSDAY**

FRANKFURT (DM)	PARIS (FFr)
Bayer Hypobank	388.5 + 5.5
Hoescht	209.4 + 1.7
Nixdorf	293 + 2.5
RWE	243.5 + 2.3
Bayer	298.5 + 2
Fella	298.5 + 2
D'ache Babcock	164.5 - 1.3
MCA	51% + 1 1/4
Digital Equip	96% + 1
Pella	59% - 1 1/2
AMR	22% - 2 1/2
Burl Northern	114% - 2
Philip Morris	48% - 1 1/2
McDonalds	48% - 1 1/2

NEW YORK (\$)

FRANKFURT (DM)	PARIS (FFr)
Docks de France	3675 + 222
Socon	217.5 + 12.8
Valourec	334.5 + 17
Nouv. Galeries	544 + 27.2
Banc DS	17.3 - 1.8

TOKYO (Yen)

FRANKFURT (DM)	PARIS (FFr)
Oye Kogyo	1470 + 180
Ichida	1900 + 200
Fuso Industrial	2200 + 210
Yud Gosei	1200 + 140
Komatsu Const.	1900 + 180
Asamura	1100 + 100

London (Pence)

FRANKFURT (DM)	PARIS (FFr)
Renhold	305 + 24
AM Health Care	548 + 15
Aquascutum	325 + 5
Bulmer (H.P.)	185 + 6
Bunzl	161 + 5
Comptel Group	361 + 10
Enterprise Oil	538 + 7
Gaskell B'loom	213 + 13
Johi Steam	423 + 40
Jestupa	170 + 7
Laporte	437 + 10
Prudential	194 + 5
Recal Elect.	378 + 10

**WORLDWIDE WEATHER**

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Abisko	11	11	11	Madrid	8	8	8
Algeria	18	18	18	Moscow	10	10	10
Amsterdam	10	10	10	Nairobi	20	20	20
Athens	16	16	16	Rangoon	28	28	28
Bahia	24	24	24	Reykjavik	5	5	5
Bangkok	28	28	28	Rome	12	12	12
Bombay	30	30	30	Sao Paulo	22	22	22
Buenos Aires	18	18	18	Seoul	10	10	10
Calcutta	30	30	30	Stockholm	8	8	8
Cardiff	10	10	10	Taipei	20	20	20
Cebu	28	28	28	Tokyo	12	12	12
Colon	28	28	28	Ulaanbaatar	10	10	10
Dublin	10	10	10	Yokohama	12	12	12
Hankow	18	18	18				
Hong Kong	22	22	22				
London	10	10	10				
Lyons	12	12	12				
Manila	28	28	28				
Medan	28	28	28				
Osaka	12	12	12				
Paris	12	12	12				
Perth	18	18	18				
Port of Spain	28	28	28				
San Francisco	12	12	12				
Singapore	28	28	28				
Sydney	18	18	18				
Tientsin	12	12	12				
Yokohama	12	12	12				

**BANGKOK 28°C 84°F Sunny**  
**Fly Thai 01-499 9113**

**Minorco bid** Continued from Page 1  
 cleared. Although pleased by the court's judgment, Mr Rudolph Agnew, Gold Fields' chairman and chief executive, was unwilling to say the last rites over the bitterly contested bid. "It is not dead until they say it is," he said. Gold Fields was preparing additional financial evidence to support its contention that the Minorco terms greatly undervalue the company, Mr Agnew said. Some of this information may be published even if the bid lapses. Minorco owns nearly 30 per cent of Gold Fields, and has won acceptance from another 0.2 per cent of the shares.

Oh well, YOU CAN BE SURE OF SHELL



MARKETS

PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit (2000), Earnings\* per share (p), Dividends\* per share (p). Lists various companies like Abbeycare, Allied Tech, and others with their financial data.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (2000), Interim dividends\* per share (p). Lists companies like A&M Group, Audio Films, and others.

RIGHTS ISSUES

Audio Films is to raise £1.4m via a 7-for-8 rights issue at 30p. Gushmore Group is to raise £2.5m via a one-for-nine rights issue at 100p.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

City Energy A&S is to join the main market via a placing worth up to £5m. Devonport Varnish is to join the main market via a placing of 5.25m shares at 130p.

LONDON

An unbloodied shirt hides gaping wounds

THE SHORT pre-holiday week was about four days too long for many market-makers. It started skittishly with overblown fears of another Black Monday after the previous Friday's price slide in New York and London, induced by worries about US inflation.

HIGHLIGHTS OF THE WEEK

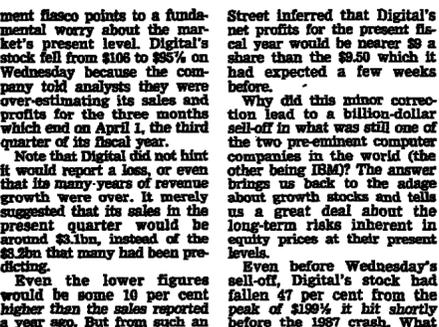
Table with columns: Price, Change on week, 1988, 1989. Lists market indicators like FT Ord Index, Base, Chrysalis, Church (Charles), and others.

WALL STREET

Disaster day for Digital

AFTER Wednesday morning's debacle for shareholders in Digital Equipment, when what has arguably been the most successful high technology company lost 10 per cent of its \$12bn market value in 15 minutes, it is worth reflecting on an old stock trader's adage: Nobody ever loses money investing in growth stocks - as long as the growth is in the future, not the past.

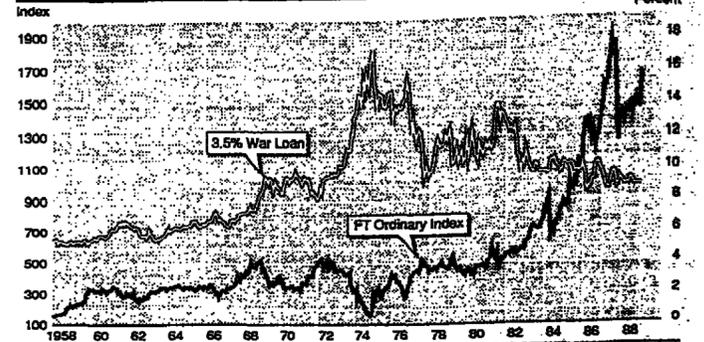
Dow Jones Industrial Averages



The Digital collapse cast a dark shadow over the rest of Wall Street on a day that might otherwise have been the perfect time for the beginning of a significant short-term rally.

Farewell to the City

From Page 1 and so on, to a quite sickening extent. The mid-1970s saw a brief breathing space, but by then much of the damage had been done.



£250m loss into a £313m profit. In other sectors, there were gratifyingly few declines. Among the handful which reported lower profits for 1988 were Shell UK; the Hong Kong-registered electronics company BSR International.

The search for venues for analysts' meetings and press conferences forced chairmen to traipse the halls of livery companies they hardly knew existed

Prudential Corporation, Britain's biggest insurer, reported a 40 per cent rise in pre-tax profits to £338.5m. The Pru also said it would raise shareholders' "participation rate" in life assurance profits - the proportion they get - to 10 per cent.

JUNIOR MARKETS

Hope revives for oil sector

IS THE bombed-out oil sector of the Unlisted Securities Market undergoing a revival? That, clearly, is one interpretation of its strong showing in the list of best-performing stocks of the year.

Today, the main beneficiaries of over-optimism may not be technology stocks but media companies, food businesses and pharmaceutical producers. But, taking the market as a whole, the evidence seems clear: After two years of record profits, Wall Street is still paying too much attention to the prosperous past and not enough to the problematic future.

Europe finding that they have paid a high, perhaps unacceptable price for their stake in the square mile. Instead, as Bracken House is vacated by the Obayashi Corporation and a few hundred yards north the old Post Office are hived out for Nomura, it is the Japanese who may be poised to achieve dominance in the 1990s.

Vanessa Houlder

FINANCE & THE FAMILY

IN THE NEWS: THIS WEEK

Money flows back to the building societies

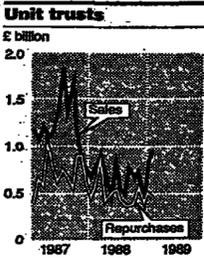
The Building Societies Association reported that net receipts jumped in February to £1,064m. The rise followed three months during which the average inflow was only £500m, having fallen to £784m in January. The BSA attributed the rise to seasonal factors, the rise in some societies' interest rates in February and possibly the fall in the stock market. Mortgage lending by societies picked up too. Net new commitments rose to £3,432m in February. This compared with £2,259m in January but was well down on the February 1988 figure of £4,350m.

Reduced mortgage rates offer

Morgan Grenfell has cut the interest rate on its new PEPs mortgage from 13.5 to 12.5 per cent. Mortgage Corporation reduced its base rate for new borrowers to 12.5 per cent for its standard and high equity schemes. The starting rate for its Headstart mortgage falls to 9.5 per cent, 3 per cent deferred for three years and added to the capital value of the loan.

Unit trust sales jump

Sales of unit trusts, and net new investment, rose again in February, reaching the highest level since the October 1987 crash. However, the number of unitholder accounts continued to decline, suggesting that the bulk of new money coming into unit trusts was from financial institutions. The Unit Trust Association reported that gross sales of unit trusts in February totalled £377.2m. This compared with sales of £245.9m in January and £742.3m in February last year. Repurchases (sales by investors) dropped to £481m, against £521.2m in January, so net new investment was £496.2m. The value of funds under management has recovered to £46.95bn, the highest level since the peak of £50.33bn in September. However, the number of unitholder accounts slipped by a further 17,000, reducing the total to 4,826,000 - the lowest since September 1987.



Warning on share selling

The Securities and Investments Board, the City "watchdog" regulatory agency, issued a public warning against a Caribbean share-selling company, Atlantic and First National Securities. It said the company, based in the Netherlands Antilles, was not authorised to carry on investment business in the UK.

Abbey National dealing offer

Norwich and Peterborough Building Society said it would offer a special dealing rate for members of the Abbey National interested in selling their shares if the vote goes in favour of Abbey becoming a plc. It will charge £10, plus VAT, per deal including "family deals" of up to four people. Meanwhile, Bristol & West Society announced that its share portfolio management services, offered in conjunction with stockbrokers Laing & Crulphank, was being discontinued owing to "insufficient demand".

Moving costs on the way up

The cost of moving home is once more on the increase, after two years of declining, according to a survey by the Woolwich Building Society. Charges by solicitors, surveyors and estate agents have risen, but since the slowdown in the housing market removal firms have cut fees to be more competitive.

Heather Farmbrough studies prospects for BES investors after the ending of the tax relief loophole  
**The party's over for close companies**

A CAT and mouse game has been going on between the Inland Revenue and the Business Expansion Scheme since the scheme was introduced in 1988. The game took a new turn in last week's Budget when the Inland Revenue pounced on one of the juiciest loopholes - investment in close companies under the BES.

So attractive was the prospect of two sets of tax relief that investors put over £100m into some otherwise rather dull assured tenancy letting issues. But, as was widely anticipated, Chancellor Lawson pipped the party, ending the tax advantages of investing in close companies from midnight on Budget day.

Investors who had been allocated shares in close company issues by March 13 will still qualify for tax relief on loans taken out to fund those investments. Less lucky were those who had parted with their money but had not been allocated shares in a close company.

As one FT reader complained, all sorts of other investments are being offered but they do not amount to the double set of tax relief offered before the Budget. New investors in close company issues which were open before the Budget do not qualify for tax relief on interest payments.

Reaction to the end of the close company loophole has depended, predictably, on

Some BES schemes still open					
Company	Sponsor	Specialisation	Closing Date	Minimum Investment	Maximum Subscriptions
South East Ass. Ten.	Royal Trust	Greater London Properties	11 April	£1,000	£5m
High Yield Residential	R.J. Temple	Glasgow	4 April	£1,725	£5m
Beauchwood Glasgow	Hodgson Martin	Glasgow	5 April	£2,000	£5m
Sun Life BESRES	-	16 regional companies	5 April	£2,000	-
Wellington Fund 5	-	Fund	5 April	£5,000	-
100 Queensgate	Baltic Asset	Private Club	5 April	£500	£0.5m

which side of the rented property fence observers were sitting. But Dennis Fredjoni, of sponsor Capital Ventures, which promoted the close company issues Roman Rentals I and II, is relieved that such issues have been proscribed.

"We were forced by competitors to offer close companies," he says. The first Roman Rentals issue closed subscribed fully at £5m, while the second had taken in £2m out of a maximum £5m by March 14.

The Roman issues were small fish in comparison with the two giants of the close company route, Allied Dunbar Link Homes and Johnson Fry's SCAT (Smaller Company Assured Tenancies) issues, which have taken in more than £50m each over the present fiscal year, dominating the assured tenancy issue market.

Investors in close company issues were offered a choice of

regions in which to invest, although the degree of choice varied. For instance, Johnson Fry offered only a north-south choice while Constellation Homes, which closed with a maximum subscription of £5m, was based entirely in Liverpool.

Their success seems to have little to do with the comparative merits of the schemes or the prospects for local property prices. BES investment is, for most people, a way of reducing their tax bill, so the double set of tax relief was extremely popular. Nevertheless, it is unlikely that even one-quarter of the amount raised would have been brought in without the selling skills of the Allied Dunbar and Johnson Fry sales forces, particularly as many investors were going into the BES market for the first time.

Assured tenancies have had a big impact on the amount of

money raised under the BES. During the present tax year, more than £270m has been raised compared with a total of £181m in the 1987-88 fiscal year. At the end of October 1988, the latest date at which investors could claw back tax relief at 1987-88 fiscal rates, only £4m of this had gone into non-assured tenancies compared with £102m raised for assured tenancies.

Close company schemes have distorted the picture even more. According to John Spiers, of BEST Investment, more than £165m has been raised under the BES since January 1, of which at least £105m went into close companies. Link alone took in £52m between the beginning of the year and Budget day.

Close companies have clearly taken money away from other issues. Only a handful have actually raised maxi-

imum subscriptions. This is a pity as some companies, like Spitfire Television, are exciting investments which could produce a potential high return well above that yielded by a boring assured tenancy.

John Harrison, of BEST BES, says: "Assured tenancies will still dominate the market because they are perceived to be lower risk - the managers would have to be very incompetent to lose money. But the best returns will still come from trading companies."

While assured tenancies have boosted the amount of capital raised under BES, some of the 60 plus issues still open are unlikely to raise the minimum subscription and investors' money will have to be refunded. Others will cover the minimum but find they have to come back for more money next year.

This means that if you are thinking of investing in the BES before the end of the present tax year (to qualify for relief over the 1988-89 fiscal year), it is essential to be selective. Assured tenancy issues which have been open for a couple of months, and which have failed to raise £1m out of a total of £5m, are perhaps best avoided, as you want to be certain your issue will proceed. It is also worth considering carefully exactly what kind of investment you want. There are, for instance, companies which intend to let properties as assured tenancies in the

form of sheltered housing. But there is a danger that schemes which are trying to fulfil two objectives will find themselves with internal conflicts.

Other considerations are the location and kind of property, and what sort of tenants the company intends to attract. The basic question is whether the property can be rented out to a decent tenant for as many weeks as possible.

Any issue where initial costs are more than 10 per cent of the amount raised is probably too expensive. Check also to see that directors have relevant business experience and a financial interest in the company. Finally, ask if there is a good exit route for the company so you can realise your investment after five years.

There are still a variety of ways open to invest in the BES. You can either choose a prospectus for a single company, not necessarily an assured tenancy, or a fund like Sun Life's BESRES II, which offers investors a choice of 16 regional companies.

The marketing of BES schemes is likely to become increasingly sophisticated over the next year, with investments linked increasingly to other financial products like pensions. But over the next few days, the emphasis has to be simply on trying to select the best of the bunch.

**Deadline on pensions nears**

LIFE COMPANIES are reporting record business in personal pensions as people rush to beat the April 5 deadline for opting out of the State Earnings-Related Pension Scheme (Serps).

However, life companies would do even more business if employees understood the workings of the state pension scheme.

The press, including the Weekend FT, has on numerous occasions pointed out the advantages of younger employees opting out of Serps and emphasised that the special opportunities for the tax years 1987-88 and 1988-89 will be lost forever if action is not taken by the deadline.

Unfortunately, this message goes right over the heads of many employees - simply

because they do not appreciate that they are in Serps. In particular, many women are missing out on a splendid opportunity. So, it is worth going back to basics.

The present state system was brought into operation nearly 11 years ago. Yet, surveys show that the majority of employees have, at best, only a hazy idea of its operation and how they fit into the system.

The state pension scheme operates in two tiers, but both are paid from a single source - National Insurance contributions.

First, there is the basic scheme to which every work-

ing person below the official state retirement age belongs. This pays a weekly flat-rate pension benefit.

Second, the State Earnings-Related Pension Scheme - which applies only to the employed - pays an additional pension related to earnings and length of employment since 1978.

Everyone working for employers or themselves remains in the basic scheme. However, employees can be contracted-out of Serps, either by their employer through membership of the company pension scheme, or individually by the employee.

If the employee is not contracted-out, then he or she is automatically in Serps and, accordingly, has to pay increased National Insurance contributions.

There are two different rates of National Insurance contribution. You pay a lower rate if you are in the basic scheme only and contracted-out of Serps.

But the NI contribution deduction usually appears as a single monetary amount on the employee's pay slip or wage packet, with no indication as to which rate applies. It is important to find out, though, since this will decide whether

or not you are eligible to take advantage of the bargain offer by the government.

The majority of company pension schemes are contracted-out of Serps. So, for many employees in contracted-out company schemes there is nothing to be gained. But the company scheme might in some cases be contracted-in, in which case the employee can contract-out on an individual basis and take advantage of the offer.

Employees who are waiting to join a company scheme will also be in Serps and thus will be able to take advantage of this opportunity. So will

employees working for companies without a pension scheme.

Some categories of employees may not be eligible to join the main company scheme. This applies particularly to part-time employees; they are also eligible for this offer. Taking a contracted-out appropriate personal pension does not involve the employee in any monetary outlay at all.

The company pension scheme explanatory booklet will tell employees whether or not their scheme is contracted-out. Although an employee is entitled legally to a copy of the scheme rules within 13 weeks of joining, a new employee can only ask for a copy of the rules.

Eric Short

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\* Issue No.35 March 1989

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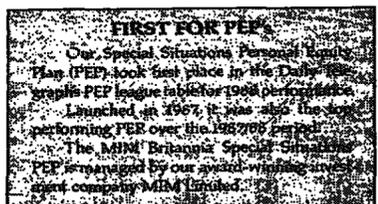
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FINANCE & THE FAMILY

The Week Ahead

From mundane to exciting

NEXT WEEK'S list of company results goes up and down-stream in the oil business, dips into property, construction and building, and fields a cross-section of the insurance industry. Assorted engineering groups, and a top newspaper publisher round off the corporate offering.

After a 50 per cent rise in crude oil prices from last December, Shearson Lehman Hutton likes the sector. It is not so sure about Burmah Oil. S.L.H. analyst Nick Clayton thinks that people got carried away in the middle of last year when crude prices were falling and oil product margins seemed bound to improve.

Soon after that the company was faced with rising costs for chemical additives. Given the way basic feedstock costs were known to be moving, it could have found these hard to recover in prices.

S.L.H. expects Burmah's chairman, John Malby, to announce net profits of £81.7m for 1988 next Thursday, after £73.5m last year. These will take in £10m from a property sale and £2m from a change from year-end to average exchange rates; but they see a squeeze on margins in the second half of 1989.

On the same day, LASMO could be mundane in retrospect but exciting in outlook. It estimated 1988 net profits at £25m (up from £22m) when it paid £358m for the UK oil exploration and production arm of International Thompson, the Canadian publishing group, at the end of last month. Depending on the path of crude oil prices, however, net profits could rise to £41m, or even £58m, this year.

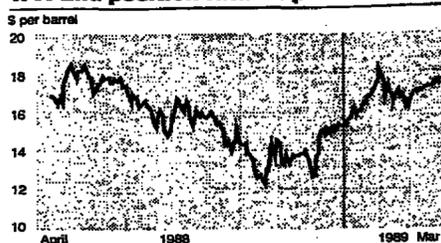
Slough Estates stars in the property sector on Wednesday. This used to be a contradiction in terms, since Slough built its impressive long-term growth record on industrial property - mundane buildings in mundane places.

But as analyst Judith Huntley, of Kleinwort Benson Securities, points out, that puts it in the best-performing sector of the real estate market, for 1988 as well as possibly for 1989 as well.

Later, its expansion into commercial property should help sustain it; Bredero, the retail and office developer in which it has a 52 per cent stake, reported excellent results this week. Next week, Slough's assets per share could leap from 287p to 389p, with year-end profits in the £70m to £72.5m bracket against £62m in 1987.

Construction and building

WTI 2nd position futures price



Source: Shearson Lehman Hutton. Jeremy Hudson of the S.L.H. oil team explains that West Texas Intermediate (WTI) is regarded as the world's leading marker for crude oil prices, and that 2nd position locks two months ahead, to smooth out some of the furies in the market.

materials feature two companies which have moved off their traditional pitch, temporarily or otherwise. Besser had to take a big, unwanted chunk of the chemicals business when it bought Koppers, the US building materials group, for £1.72bn (£943m) last year.

Three or four weeks ago, though, it had its Koppers disposal up to \$554m and Thursday's question will be how its house-building side, the big contributor to profits last year, is coping at the half-way mark.

KSS expects interim profits to rise by £10m to £52m; S.L.H. goes for £54m with £132m (£107m) to come for the full year.

Marley, which reports on Wednesday, has seen a move into motor components from its building materials base; a major property sale; boardroom departures, and talk of predators in the wings. The hope here is that profits will rise from £55m to £70m, with £10m from the property sale on top.

While all this is going on, there will be a number of economic indicators to tickle the equity markets.

On Tuesday, the CBI Monthly Trends Enquiry will indicate sentiment in UK manufacturing. On Wednesday, Neil MacKinnon, senior economist at Chase Investment Bank, expects the UK trade figures to show a current account deficit down from £1.7bn in January to £1.3bn in February, against a forecast range of £1bn to £1.5bn. Also on Wednesday, he is hoping that US leading indicators for February will show some slowdown in economic activity over there.

US property/casualty and aviation business

On a smaller broking scale, profits from Hogg Robinson & Gardner Mountain could be down from £11.2m to £10.4m. And, finally, the recently embattled Sun Life Group is regarded with virtually academic interest by the analysts, having been rendered virtually bid-proof last year by the opposition of major South African and French stake-holders.

Of the engineers, Glynwed is the connoisseurs' choice, even if it has been calling itself an industrial group in recent years (reflecting its interests in plastic fittings and consumer products like the Aga and Reburn cookers). The company has achieved earnings growth of more than 20 per cent compound since 1983.

It is going to do it again on Wednesday, according to Andy Research Institute. He expects profits to rise from \$90m to \$82m before tax; and a further gain of a fifth is pencilled in for 1989.

Spirax-Sarco and the Weir Group (results on Wednesday and Thursday respectively) complete the engineering collection.

In the US, says Marcus Browne of ANZ McCaughey, G.R.E. tends to be in specialist areas like inland marine, and high-risk motor policies which the big boys are unlikely to want. Within a narrow margin range of £220m to £240m, Browne expects chief executive, Peter Dugdale, to show a rise in profits from £165m to £232m before tax.

Meanwhile, forecasts for insurance broker Willis Faber have slipped - from \$75m a year ago, through \$65m last September, to Browne's precise \$58.2m, a little over a month ago. That reflects the underwriting decline, particularly in

William Cochrane

Why it pays to keep it simple

THE PUZZLING behaviour of stock markets over the past two years has led to a revival of interest in systems of "index-tracking" designed to ensure that the investor keeps up with the market even if he cannot beat it. Rather elaborate systems have been adopted to achieve this objective.

This development has a certain piquancy for the people managing our college portfolio, because, essentially, we have sought similar objectives for 36 years. We have, however, used much simpler methods because we have no interest in following any particular index precisely.

In any event, we have beaten the index handsomely; thus, £100 invested in our portfolio in 1953 would have been worth £3,582 at the end of our last financial year (June 30, 1988), against £1,059 if we had matched the FT index; and the income in 1987/88 from that £100 would have been £171, against £48 from the FT.

What, then, have been the common features between our methods and index-tracking?

First, we spread our portfolio over virtually all industries; we do not attempt the laborious task of matching the proportion of the whole index represented by each industry, but the general pattern is broadly similar.

Next, we remain invested fully at all times (like the index). Thus, we suffered the great crash in October 1987 but, previously, we had enjoyed the long rise.

Third, our principle (like that of the index) is to "buy and hold" - thereby, *inter alia*, minimising dealing costs. We do have an annual review, at which we are prepared to make changes (as well as deal with

any accretion of funds from legacies), but we seldom make sales equal to more than 5 per cent of the portfolio.

Quite a lot of these are to reduce the value of a holding - which has moved outside our "normal range" for that year - with corresponding purchases to top up holdings which are below it. Except at the annual review, we almost never deal - unless we feel driven to do so by rights issues, take-over bids or threats of them) and privatisation issues.

The system was adopted in the conviction that it would give us a good income initially - in 1953, ordinary shares had a higher yield than bonds - and that future income would probably prove acceptable in real terms over the next century or two.

It is still too early to test the second point but, in real terms (ie, at 1953 prices), each £100 invested in that year was worth £348 in 1988 and produced an annual income of £16.40. On top of that, the work involved has been minimal and we have never paid a penny for professional advice.

We are, frankly, a bit puzzled as to why the results have turned out so much better than those of the index. We must, presumably, have chosen shares in most industries which did better than the ones chosen by the index-makers.

But our methods are primitive; we prefer stocks with high earnings yields, and we sometimes sell out what seem to have become "glamour" stocks. The moral is, perhaps, that people in charge of long-range portfolios should stick to our guiding principle: "Don't try to be too clever."

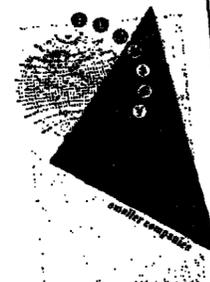
Academic Investor

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Commenting on a very successful year Chairman David Ross Stewart says:

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RESULTS DUE

Company	Announcement Date	Dividend (p)		This year est.
		Last year	Final	
<b>FINAL DIVIDENDS</b>				
American Trust	Wednesday	1.15	2.25	1.25
Anglo Eastern Plantations	Thursday	0.7	1.1	0.94
Avdel	Friday	0.5	1.0	0.8
Blackwood Hedge	Wednesday	0.55	0.95	0.8
Bookington Group	Wednesday	1.47	2.5	1.58
British System Industries	Thursday	1.2	2.66	2.04
Brook Services Group	Thursday	1.4	2.8	1.8
Burmah Oil	Thursday	6.0	10.5	7.0
Caledonia Industries	Wednesday	3.3	1.0	3.6
Clifford Foods	Thursday	2.2	4.5	3.6
Clinton Cards	Thursday	2.2	-	2.4
Coastal Brothers	Friday	0.75	4.3175	1.5
Down Valley	Thursday	1.0	11.0	1.0
Eys (Whitbread)	Friday	0.18	0.68	0.50
Edmond Holdings	Thursday	2.8	5.2	3.45
Glynwed International	Wednesday	2.88	5.2	3.45
Goal Petroleum	Friday	1.25	1.0	1.7
Grampian Holdings	Wednesday	18.0	2.75	3.5
Guardian Royal Exchange	Wednesday	5.0	3.09	2.5
Hogg Robinson & Gardner Moun.	Thursday	2.5	5.2	2.5
Yeos Group	Thursday	2.0	3.0	2.4
London & Scottish Marine Oil	Tuesday	1.252	2.08	1.75
Loper	Thursday	0.5	0.75	0.75
Macfarlane Group (Glenman)	Tuesday	2.5	7.1	2.5
Miller Stanley Holdings	Thursday	1.8	5.4	2.4
Molins	Thursday	1.5	1.0	1.5
Monument Oil & Gas	Thursday	1.5	1.0	1.5
More O'Farrell	Thursday	1.5	1.0	1.5
NMIV Computers	Wednesday	1.0	1.0	1.5
North Sea & General	Thursday	1.0	1.0	1.5
Palco	Wednesday	0.2	1.25	1.0
Packwoods Group	Wednesday	0.0	10.5	6.0
Schroder	Tuesday	2.0	3.0	2.5
Scottish Heritable Trust	Tuesday	0.91	1.29	1.0
Senior Engineering	Thursday	1.5	3.0	1.5
Shroveton Group	Tuesday	0.75	1.45	0.95
Singer & Friedlander	Tuesday	1.7	4.7	2.2
Sinrom	Tuesday	11.44	22.2	12.28
Slough Estates	Wednesday	1.34	2.68	1.5
Spirax-Sarco Engineering	Wednesday	1.7	4.7	2.2
Sun Life Assurance Society	Wednesday	1.4	2.2	1.28
Technology Project Services	Tuesday	1.24	-	-
Trilion	Tuesday	7.0	12.0	7.5
United Newspapers	Thursday	3.85	7.81	3.85
Weir Group	Wednesday	0.8	1.4	0.92
Willis Faber	Wednesday	0.8	1.4	0.92
Worcester Group	Wednesday	0.8	1.4	0.92
<b>INTERIM DIVIDENDS</b>				
Barry Wehmiller Int'l.	Wednesday	1.5	3.0	-
Beezer	Thursday	3.1	4.25	-
Bennett & Fountain Group	Tuesday	0.8	0.7	-
Casale Communications	Tuesday	3.0	4.2	-
Colroy	Tuesday	-	0.88	-
Cooper Frederick	Thursday	1.1	2.15	-
Frugmore Estates	Wednesday	2.5	7.7	-
Melville Group	Wednesday	-	0.2	-
Murray Electronics	Tuesday	-	0.2	-
Murray Ventures	Thursday	2.15	3.85	-
Century Estates	Wednesday	0.15	2.25	-
Prospective Group	Wednesday	-	1.0	-
Town Centre Securities	Thursday	0.5	1.0	-

\*Dividends are shown net per share and are adjusted for any intervening scrip issues. Figures for 9 months.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid	Offer
CCA Publ.	135	134	115	14.90	MTV
Chamber's Phipps	202	219	154	7.55	Beale
Chamber's Phipps	220	219	189	81.0	Bovater
Corn Gold Fields	13695	1243	1435	3.160n	Minorco
DDY Grp.	116	115	110	7.53	Viscot
Delmar Group	70 1/2	70	60	4.93	Brownmoss Ind.
ISB Electronics	357	383	319	25.01	Genesee
Jacksons B'ne End	150 1/2	182	147	12.75	Vanella
Jester	100 1/2	130	98	4.90	Partie/ETL
Lecl London	550	544	484	110.99	Prest, Marlene
Pleasidley Road NV	325	319	258	28.90	Miss World
Racalls (G.L.)	250	249	200	11.74	Servans
Splash Prods.	78	77	71	15.63	Astra Trust

\*\*All cash offer. \*\*Cash alternative. \*\*Partial bid. \*\*For capital not already held. \*\*Unconditional. \*\*Based on 2.30pm prices 23/3/88. \*\*AT suspension. \*\*55 shares and cash.

THE FOOD INDUSTRY

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For a full editorial synopsis and advertisement details, please contact:

Jonathan Wallis on 01-873 3000 ext 3565

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FINANCIAL TIMES

FINANCE & THE FAMILY

# The sport of flings

SETTING UP a company which is almost a dead cert not to make an immediate profit, and asking investors to buy shares expecting a risky return, is a proposition that looks sure to fall at the first fence. But the idea has taken off at a gallop since it was launched early in the 1970s. It is, not surprisingly, the business of buying, selling and training racehorses under the umbrella of a company or syndicate structure.

The logic behind these businesses is not necessarily to profit by winning races. The really big money is made in breeding. A yearling which has proved itself in a racing season can then be sent off to stud, with hopeful owners paying £3,000 to £40,000, and more, to get their brood mare "covered". When you calculate that, on average, a commercial stallion covers at least 40 mares a year, the figures are staggering.

However, the costs of keeping and training a thoroughbred are equally staggering, and probably out of the reach of the ordinary investor. So there are, basically, two options for the racing fanatic who wants to join the inner circle of syndicates and companies.

The difference is an important one. Syndicates are limited by Jockey Club rules to no more than 12 people, and are an expensive business. The average cost of training and maintaining a thoroughbred is about £12,000 a year. But add to that the thousands necessary to buy the horse, and the costs shoot up.

Companies, on the other hand, try to alleviate this with a one-off payment in return for a share in a string of horses. The drawback, if a shareholder looks at it that way, is that you could be just one of thousands of part-owners. Hardly the route to rubbing shoulders

with the racing elite. Both ideas have, however, become big business over the past 10 years. Jockey Club figures show that in 1988 there were 183 syndicates and 227 companies in existence; the number of companies was up by 43 per cent on the previous year.

Given the fact that about 95 per cent of all horses in training never recoup their costs, share ownership seems a good idea. Trainers get the money up front and the ordinary punter has the incentive of feeling he is on the inside.

## Peggy Hollinger explains how the small man can get into racing

It is a risky investment, since the industry has never been renowned for profitability. In Ireland and the UK this is acknowledged even by the tax authorities, which consider owning and racing horses to be a hobby and, thus, not a taxable activity. Further, they hold that even if racing was treated as taxable, the losses generally would exceed any profits.

The Irish law goes further and states that breeding is also non-taxable. So it is not surprising that Classic Thoroughbreds, one of the biggest companies of its kind in Europe — some say the world — is based in Ireland.

Classic is different from most other companies in that it is listed on the London and Irish stock markets. It was floated on the Irish Stock Exchange in 1987 and its board of directors includes some well-known names: Dr Michael Smurfit, head of the paper and packaging group; Robert

Sangster, the pools heir; John Magnier, an Irish senator and director of the Irish Racing Board; and trainer Vincent O'Brien, who has diverse interests in the bloodstock industry.

Classic is a big-money company. In June 1987, it raised £110m (£8.4m) in equity finance with the promoters and leading Dublin institutions. Of that, shares worth £12m were offered to the public. In June 1988, the company raised a further £125m via a rights issue.

This should be the crucial year for Classic since, according to its stockbroker, NCB: "The payoff is at the two-year stage when you syndicate your horses as stallions or sell them off as brood mares."

Classic concentrates on the commercial side of share ownership. Other companies, however, offer a wide range of services and resemble more of a social club than a business. But they must still abide by Jockey Club rules which state that all companies must be PLCs and thus also subject to company law.

The rambunctious Colin Tinkler heads Full Circle, one of the most successful of the club/companies with a turnover of about £1m a year. For a subscription of £450, the 2,000 investors take a share in 30 horses and have access to Tinkler's extensive, giving racing tips and progress reports on the horses. Dances and stable visits are also arranged. The company opens subscriptions every November; after a year it is wound up, the horses are sold and the remaining assets distributed among shareholders.

If you are looking for a large return on your £450, then this is the wrong place. Tinkler admits that money is not the reason people invest in his company. "They only invest in pleasure. It's like joining a golf club or going on holidays. At



Sales time at Newmarket. Syndicates and companies lure hundreds of small-time owners but the returns can be poor

the end of the year there is something back, but it is only a percentage of what investors put in." The highest dividend Full Circle has ever paid is £100.

Tinkler estimates that one in every 10 Full Circle horses wins something, and this year his company has registered a winner a week. But his success comes from aiming at what he calls "winnable races". "There's not a cat in hell's chance that your £450 would buy a Derby winner," he says.

David Meillon, a regular investor in bloodstock companies and syndicates, says: "You can't get into racing normally without big resources, so for enthusiasts this way is a bargain." You get most of the benefits and none of the worries.

British Thoroughbred Racing and Breeding — along with Tinkler, a pioneer in public limited company ownership — also emphasises the social side of the business. But it also claims to be the only fully-integrated company in the UK, dealing in racing, ownership, training and breeding as well as the club, entertainment, and telephone services.

Unlike Full Circle, BTRB does not liquidate at the end of every year and shares sell at £1

each — a price unchanged since the first issue in 1983. BTRB also runs a club; the membership fee is £120, or £75 if you have at least 200 shares in the company.

One of the company's biggest money-spinners has proved to be its telephone services, with a remarkable record of tipping winners. BTRB employs a team of four to study the daily form and provide information for 13 telephone lines. It was due largely to the success of the telephone services that BTRB was able to report its first pre-tax profit for 1987.

Again, there is no dividend for the investor beyond sheer enjoyment. Investors, says Anthony Greayer, the finance director, pay their money to have a closer involvement in the racing industry. "They want to see their horses run in their colours."

Given the somewhat meagre returns of most of these companies, it seems strange that the punters continue to pay out their money. But as Tinkler puts it, succinctly: "It's all to do with fun. When God invented sex, I'm sure he didn't think it would catch on the way it did!"

# Suffering from caution

MERCURY, Britain's 10th-largest unit trust group, is also one of the industry's blue chip names with a reputation for consistent long-term growth. However, performance figures during recent years suggest the group could have lost its way a bit.

Mercury has 10 unit trusts with more than a one-year record. But, as the accompanying table reveals, only four show above-average performance over most periods.

James Dawney, chairman of Mercury Unit Trust Managers, does not believe this constitutes a performance problem. Funds which are not top performers over a year or so do not bother them. Long-term performance is their main concern.

Even so, the Income trust has been towards the bottom of its sector over periods up to five years and the European Growth and Japan trusts, with good five-year figures, are down over one, two and three years.

Dawney agrees that the group's post-crash investment stance is one of the areas which he has been less satisfied. "Coming into the crash, we were pretty liquid and cautious. We have suffered because we went on being cautious longer than others. One thing nobody expected in 1988 was a slow drift back into a bull market," he said.

The Mercury investment philosophy depends on taking a firm view on asset allocation and sticking with it — a strong discipline and one which can be successful provided you get the allocations right in the first place.

The group likes to run concentrated portfolios with a small number of well-researched shares, and personal contact with the companies concerned where possible.

Fund managers will take large positions, quite often in smaller companies, on an 18-

Mercury: strong and weak performers					
Offer-to-bid Income reinvested, Years to 1.2.88					
General	1 YEAR	2 YEARS	3 YEARS	5 YEARS	7 YEARS
	10.4	19.7	61.5	180.7	316.2
	(43/104)	(30/97)	(30/90)	(8/73)	(20/85)
Recovery	4.8	19.1	78.3	201.8	478.7
	(102/170)	(53/133)	(32/114)	(14/89)	(6/89)
Int'l	9.7	0.1	41.4	87.2	208.7
	(86/156)	(47/120)	(28/96)	(18/71)	(18/56)
Amer.Gth.	12.0	-6.1	8.7	48.9	-
	(47/118)	(13/105)	(18/89)	(7/58)	-
Income	4.8	20.7	69.3	163.9	-
	(83/122)	(78/109)	(50/97)	(37/69)	-
Eur.Gth.	11.5	-16.1	15.8	138.4	-
	(81/99)	(48/82)	(35/53)	(4/15)	-
Japan	1.9	-2.7	86.7	178.7	-
	(60/61)	(58/59)	(38/51)	(8/29)	-

(Bracket figures show sector ranking/total funds in sector) Source: Fidelity

month to two-year view. The emphasis is on value rather than "mega-multiples" and the group is not afraid of taking a stance contrary to the rest of the market. It might also be aggressive (by standards) when it comes to liquidity, going up to 20 per cent "without fussing."

Mercury has not favoured the specialist fund route. Accordingly, two of its most reliable performers have been generalist funds: the General and International trusts. The Recovery trust has been a strong performer in the past, although it is down over one year.

Among specialist overseas funds, American Growth has done very well and is responsible for three of the five top quartile returns.

But performance in the other main markets, Japan and Europe have been disappointing. In particular, the poor Japanese results are ironic, given the group's commitment to its Tokyo operation. More than 20 of Mercury's 120 fund managers are based there. Three new managers will be joining the Japan team in a month or so, including one for the Japan unit trust.

Dawney is blunt about the

group's underperformance in this important market: "Our stock selection and asset management simply weren't good enough."

In case investors are worried, he cites the group's strong incentive to succeed. "Japan is our biggest area of business opportunity. We have to perform there. We simply can't allow a short-term problem in performance to turn into a long-term problem."

A similar argument is confidently offered on the performance issue in general. "Where we have performance problems, they should be viewed as recovery situations because we are going to solve them," says Dawney.

Unit trusts, even with a total of £1.2bn, in funds, are quite a small proportion of Mercury's total £18bn under management. But they are the shop window funds by which the public judges the group.

"Performance is the beginning and end of everything. Our performance appears on half a million breakfast tables each morning," Dawney admits. So, it is a priority to repair any dent in the unit trust performance.

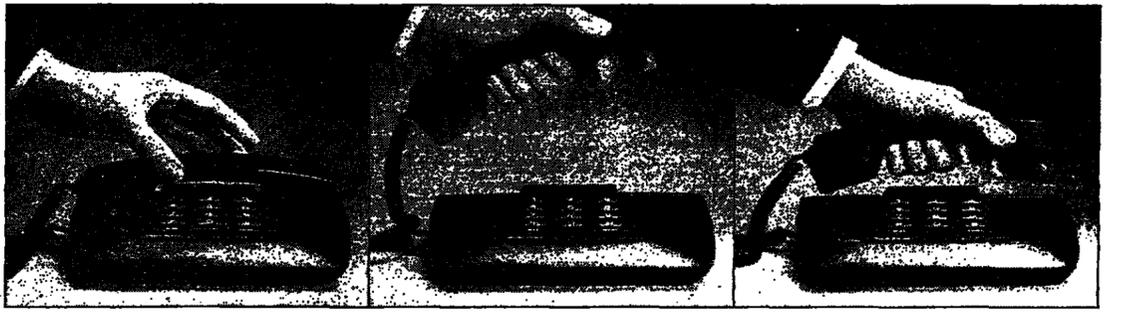
Christine Stopp

### INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Quoted rate %	Compounded return for taxpayers at 25% 40%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawal (days)
<b>CLEARING BANK</b>					
Deposit account	4.50	4.80	3.88	monthly	1
High interest cheque	7.80	7.90	6.32	monthly	1
High interest cheque	8.00	8.30	6.84	monthly	1
High interest cheque	8.40	8.70	6.96	monthly	1
High interest cheque	8.80	9.20	7.36	monthly	1
<b>BUILDING SOCIETY</b>					
Ordinary shares	6.00	6.00	4.57	half-yearly	1
High interest access	8.00	8.00	6.40	yearly	1
High interest access	8.25	8.25	6.80	yearly	1
High interest access	8.75	8.75	7.00	yearly	1
High interest access	9.00	9.00	7.20	yearly	1
90-day	8.25	8.25	7.40	half-yearly	1
90-day	8.50	8.75	7.78	half-yearly	1
90-day	10.00	10.25	8.20	half-yearly	1
<b>NATIONAL SAVINGS</b>					
Investment account	8.75	8.08	6.45	yearly	2
Income bonds	11.50	9.08	7.28	monthly	2
Capital bonds	12.00	9.00	7.20	yearly	2
34th issue	7.50	7.50	7.50	not applic.	3
Yearly plan	7.50	7.50	7.50	not applic.	3
General extension	5.01	5.01	5.01	not applic.	3
<b>MONEY MARKET ACCOUNT</b>					
Schroder Wager	6.31	9.70	7.78	monthly	1
Provincial Bank	6.50	10.00	8.00	monthly	1
<b>UK GOVERNMENT STOCKS</b>					
3pc Treasury 1988-89	10.29	9.97	8.23	half-yearly	4
3pc Treasury 1989	10.79	9.70	7.44	half-yearly	4
10.25pc Exchange 1988	10.29	7.78	6.19	half-yearly	4
3pc Treasury 1990	8.69	8.80	8.32	half-yearly	4
3pc Treasury 1992	8.84	8.01	7.51	half-yearly	4
Index-linked 2pc1989-89	8.36	7.85	7.54	half-yearly	2/4

\*Lloyds Bank, Halifax 90-day; immediate access for balances over £5,000.4 Special facility for extra £5,000.5 Source: Phillips and Drew. 6 Assumes 5.0 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

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FINANCE & THE FAMILY

Clive Wolman examines the implications for the savings media of the tax changes announced in the Chancellor's 1989 Budget Investors need to think again

INVESTORS AND mortgagors seeking the most tax-efficient vehicle through which to build up a managed portfolio of shares and bonds will have to re-work their calculations as a result of the Budget changes. With the aim of creating more of a level playing field between different savings media, the Chancellor has altered the tax regime once again for life insurance, pension plans, unit trusts, investment trusts and personal equity plans. For life insurance and pension plans, the effects of the changes are mixed, while for the other three media they are favourable.

ately equal footing with unit trust investment. Capital gains within life funds were subject to tax at a 30 per cent rate, whereas unit trust investors become liable to capital gains tax only when they cash in their investments - and it can normally be avoided altogether by the judicious use of their annual exemption of up to £10,000.



Interest that life companies receive, as dividends on UK shares are subject to the 25 per cent rate already. The more important change, however, is that life companies will no longer be able to offset their marketing and sales expenses against this tax in the year in which they are incurred. They will have to spread them over seven years.

so large, the tax saving traditionally has been substantial. The tax loss will also be substantial - enough to wipe out the other gains. In addition, life companies will have less scope for cross-subsidising their policy-holders at the expense of their pension funds, as some are suspected of doing, because stricter segregation is to be imposed by the Inland Revenue. Overall, it expects to increase its tax yield from the life companies, which means mainly from their policy-holders.

their income for tax purposes. The effect of the Budget will be to reduce the tax handicap relative to life companies that they suffer as a result of this practice. Why don't life companies hold their equity portfolios through a captive unit trust so that they too, can reap the same tax advantage? At present they can, and a few do. But the Revenue has suggested that it might stop this practice next year.

ferred on these are much greater than any direct holdings of unit trusts, investment trusts or investment-orientated life insurance policies. Investments in unit trusts and investment trusts, up to the maximum allowed from April 6 of £2,500 a year, should be invested through PEPs as this will allow the investor to realise capital gains free of tax. Even more attractive, the PEP manager can reclaim on behalf of the investor the 35 per cent tax withheld by companies when they pay their dividends.

Diary of a Private Investor Changes boost PEP appeal

IT WILL SOON be time to start a boring chore of completing the capital gains section of my 1988-89 tax return. This will be less 'exciting' than the previous year as the Chancellor's reduction of the exemption limit from £5,000 in 1987-88 to £2,500, and his imposition of tax rather than at 30 per cent, made me lose some of my enthusiasm for quick 'in and out' deals.



around in the 1970s. Some share prices have increased by well over 1,000 per cent since then. All of that profit would have been tax-free with a PEP. My wife and I will certainly be continuing with PEP investments.

I am also pleased that the Chancellor has increased the annual PEP holding limit in investment trusts to £2,400. Hopefully, this will make many more people aware of the attractions of investment trusts, as many of these have assets that are worth considerably more than their present market capitalisations.

One of my own more recent non-PEP investments (on the recommendation of my broker) has been in the capital shares of the Scottish National Investment Trust. The shares cost me 26p each on January 6 this year - and have risen recently to 50p.

There are, as the tax year draws to a close, I look forward with hope to greater PEP gains next year. I also hope that in next year's Budget the Chancellor will abolish the inheritance allowances for capital gains.

There should be a much simpler system based on how long an investment has been held: perhaps 40 per cent tax on gains from shares held for less than one year; 30 per cent on gains from shares held for two years; and so on, down to a nil rate on gains from shares held for five years or more.

However, I still remain rather cautious about the present state of the market.

Kevin Goldstein-Jackson

ESOPs - now the way opens

THE BUDGET proposals for employee share ownership are designed to produce significant numbers of shareholders among rank-and-file workers. The Government obviously feels that the preponderance of schemes for directors and executives has gone too far.

resolved this particular conundrum - at least for those companies able to satisfy his rather stringent conditions. All corporate donations to these schemes are also tax-deductible, they enjoy other relief which ESOPs have been denied. Most importantly, shares received from a profit-sharing scheme are tax-free provided the employee retains them for at least five years.



service can be excluded, but all other employees must be offered shares. Apart from the fact that corporate donations to these schemes are also tax-deductible, they enjoy other relief which ESOPs have been denied. Most importantly, shares received from a profit-sharing scheme are tax-free provided the employee retains them for at least five years.

CGT loophole plugged

THE DECISION in the Budget to tax offshore umbrella funds in the same way as their onshore rivals means the end of a useful capital gains tax loophole for private investors. The development of umbrella funds has taken place almost entirely offshore ever since the Inland Revenue won a High Court ruling, against the Arbuthnot group, that switching between sub-funds under an 'umbrella' did count as a transaction that was liable to capital gains tax.



step up its international marketing plans. Guinness Flight runs two Guernsey-based umbrella funds with a total of \$450m under management. Howard Flight, joint managing director, blames the tax change on lobbying of the Revenue by a "rather mean-minded Unit Trust Association."

greater freedom to choose specific fund managers, and expects to see "the pendulum swing strongly" among investors who have used umbrella funds just for tax reasons. Even though the Chancellor's umbrella fund move was expected by many, the timing of its implementation gave no scope for a swift rearrangement of investment priorities. Lawson made no mention of this proposal during his Budget proposal. News of the change was revealed only after he had sat down, whereupon the Revenue announced that the new tax applied with immediate effect.

12.9% PER ANNUM Looking for high regular income from an investment of £1,000 or more? Look no further than the MIM Britannia Jersey Gift Fund Limited. The investment objective of the Fund is to provide you with a high level of income which is paid every three months. Under current tax law this income is paid free of any withholding tax to U.K. residents, unlike U.K. bank deposit and building society accounts. U.K. residents may, depending on their circumstances, be liable to U.K. taxation in respect of this investment. Jersey residents will receive income net of Jersey income tax.

Part-timers and those who have not completed a qualifying period of up to five years' service can be excluded, but all other employees must be offered shares. Apart from the fact that corporate donations to these schemes are also tax-deductible, they enjoy other relief which ESOPs have been denied. Most importantly, shares received from a profit-sharing scheme are tax-free provided the employee retains them for at least five years.

One of the best-known funds affected is Gartmore's Jersey-based Capital Strategy. It has \$300m under management and is one of the largest of the two dozen or so funds operating from locations such as the Channel Islands, Isle of Man and Luxembourg. Peter Pearson Ltd, managing director of Gartmore Unit Trusts, describes the Chancellor's decision to apply CGT to umbrella sub-fund switches as "a blow."

tor or agent to represent me? You would be wise to consult a solicitor specialising in intellectual property law, as it is probable that your idea will require protection in spheres that go beyond straightforward copyright.

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Many questions Squatter's rights I HAVE thought up an idea for a lovely quiet show, which I believe is fairly original. Could you please give me some information as to how I should protect my interests (perhaps by copyright or patent etc)? Also, should I engage a solicitor or agent to represent me?

Squatter's rights In 1964, we moved with my wife's family, the property being a long wedge of land along a main road registered as a 2.5-acre smallholding, with the bungalow on the deepest part of the wedge. The bungalow, with 125 ft frontage, was purchased in my wife's and my name, with the remaining land bought by my wife's mother. In 1965, my wife's sister left our home as her fiancée won the pools. My wife's mother also left to housekeep for the sister.

Franchise 'fraud' A COLLEAGUE and I, both ex-franchisees, feel the advertising which led us into the franchise operation was misleading and, in some cases, dishonest. My colleague has disclosed this with a friend in the CID, who says there is a case which the police would pursue if we will produce all the evidence.

Neighbour objects MY NEIGHBOUR has built a house at the end of his garden about 10 yards from a mature heap adjacent to my stable, which are over 100 years old. The mature heap was there long before he built the house. The mature is cleared at least twice a year but my neighbour wants me to find another place for the heap because of the smell.

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MINDING YOUR OWN BUSINESS

# Hobby-horse that came up roses

OWNING a garden centre is high on the list of activities that British wage slaves would like to be doing instead of spending five days a week in an office.

An example they might usefully follow is that of Barrie Tyler, aged 51, who moved from financial management to start a garden centre 11 years ago. He is now doing it so efficiently that he is being paid as a consultant by the Horticultural Trade Association.

He takes half-won days away from his business, the Burston-Tyler garden centre outside St Albans, to lecture to garden centre operators and nurserymen, advising them on how to improve their trading and management and how to measure their performance by making comparisons with other businesses.

Tyler has impeccable credentials for his teaching mission. He founded his own garden centre on land belonging to the farm of Burston Manor (a farm which was in the Domesday Book) by putting up a small building in a field with his own hands.

It was a highly profitable business almost from the first day's trading and has since

enjoyed the geographical benefit of being sited ideally to serve what Tyler calls "a golden crescent of small gardeners" in the suburbs north and west of London.

Today, the centre is producing a cash surplus of about £200,000 a year for Tyler, his wife, and two other sleeping partners, on a turnover of £1.1m. He has not needed to borrow any money for years.

Tyler's management style has proved, among other things, that a properly run garden centre does not have to sprawl across a lot of land. His business covers just three acres, and perhaps his greatest delight these days is squeezing more efficiency from the limited site. He has an eagle eye for such details as display shelving being at the right height, and he monitors his sales per square foot of premises on a daily basis.

Tyler warns his audiences in

the garden centre trade against allowing a love for gardening to distort sound commercial policies in the running of their businesses.

Certainly, he follows his own advice to the letter. Nothing is grown at the Burston-Tyler centre, and 20 per cent of the plants are bought from Holland eight times a year, far better than most centres.

In spite of Tyler's ruthlessly clinical approach, it is interesting to discover that, before starting the centre, he was a passionate amateur gardener. By his late 30s, he was also managing director of a finance house, Farming and Agricultural Finance in London's Knightsbridge, following an early career in retail banking.

He looked towards a garden centre business as the vehicle to "do his own thing" using both his gardening knowledge and his financial expertise.

Tyler began by mortgaging his house to secure some clearing bank finance and opened on a site in High Wycombe. He quickly realised that it was too small and moved to his present site, which was then a ploughed field.

The overdraft was paid off after the first 18 months of trading and the business has been in credit ever since - so much so that a few years ago, Tyler decided he was paying his then-bankers too much for clearing the centre's cheques and looking after his credit balance. He went to the Allied Irish Bank and won a deal whereby it would handle all

his banking, irrespective of volume, for a fixed annual charge and pay interest on the centre's current account.

Garden centres usually do about 70 per cent of their turnover in March, April, May and June. Catering for that pattern of trade, Tyler has achieved between 12 and 15 per cent annual growth regularly during the past 10 years. Last year was, he admits, an exceptionally good one when the centre notched up a 25.5 per cent increase in sales. He believes the public will be harder to part from its money in the year or so ahead.

Meanwhile, his impressive record of achieving growth did not stop him from deciding to make a fundamental switch in his marketing strategy at a time when things appeared to be going well. "I used to think that diversification was the thing to do in running this business. But I changed my policy. Now, we specialise in roses and conifers. The growth rate has been even better since making that decision."

□ Burston-Tyler Rose and Garden Centre, North Orbital Road, St Albans, Hertfordshire, AL2 2DS (tel. 0727-3244).



Barrie Tyler: found a growth industry in the gardening field

## Roy Hodson meets an entrepreneur who turned a passion for gardening into a profitable way of life

partners, on a turnover of £1.1m. He has not needed to borrow any money for years.

Tyler's management style has proved, among other things, that a properly run garden centre does not have to sprawl across a lot of land. His business covers just three acres, and perhaps his greatest delight these days is squeezing more efficiency from the limited site. He has an eagle eye for such details as display shelving being at the right height, and he monitors his sales per square foot of premises on a daily basis.

Tyler warns his audiences in

because, "unbelievably" he says, "the Dutch can deliver more quickly than English nurseries."

He expects his suppliers to match his own standards of business efficiency. A number of them have smarted from receiving a green postcard from the Burston-Tyler Garden Centre rating their perceived efficiency on a scale of four: (1) Very efficient, (2) average, (3) poor, and (4) "You are driving us mad."

Tyler's ideal is to see plants shifted in and out of his centre as rapidly as possible. He turns over his entire stock regularly

# A money maze guide



Michael Pearce: a watchful eye on the foreign currency markets

MICHAEL Pearce, aged 37, a life-long money broker, has achieved the dream of many a City professional.

Instead of enduring the stews of London ECA, he is now to be found most days working in his comfortable farmhouse home, looking out over his lawn next to the church in the delightful village of Aldbury, Hertfordshire. At his elbow are the tools of his trade - a telephone, a fax machine, a desk-top computer and a Reuters financial information screen.

His wife Alexandra, who also used to work in the City as the personal assistant to a property company chief, has the other desk in their office (a former "granny flat" attached to the house), and is secretary to their fledgling foreign exchange and interest rate advisory service.

From Aldbury, Pearce has, for the past three months, been using his modern communication tools to keep a watchful eye on foreign exchange and interest movements. He advises his growing list of industrial and commercial clients who find themselves

exposed uncomfortably to the willwavs that blow through foreign currencies.

Typical of them is a cheese-maker who exports one-third of his production, mostly to Europe, and who, after setting his price list twice a year, is now following Pearce's advice and trading in the European Currency Unit (Ecu).

The cheese-maker borrows Ecus against his anticipated income in European currency over the next half-year. The incoming currencies are sold "spot" and the proceeds used to repay the Ecu loan.

It sounds like a sophisticated practice for a cheese-maker. But the thrust of Pearce's consultancy is that he can provide advice for establishing such tailor-made systems quite cheaply to companies who care to make use of his long experience in the money markets.

"The real point," says Pearce, "is that it allows the cheese-maker to get on with making and selling cheese. Far

too many British manufacturers spend far too much of their time worrying about foreign currency problems. They should let experts take the strain for them."

Pearce's ideas for running an independent foreign exchange and interest rate advisory service from a location far removed from the boohouse of the City of London crystallised during a one-year Master of Business Administration course at Cranfield School of Management in 1987 and 1988, when he saw the opportunities that his money market experience had given him.

When he started his new business he invited Adrian Buckley, professor of international finance at Cranfield, to join his board. Meanwhile, Pearce's old boss, Michael Warren, who had been his chairman and chief executive at the money broker M. W. Marshall, became chairman of the new company and took a 20 per cent stake to help capitalise it.

Pearce had worked for M. W. Marshall for 15 years, money-broking in Hong Kong, Singapore and Bahrain before returning for a seven-year stint in London.

At Cranfield, Pearce concluded that there were many companies too small to employ corporate treasurers or financial officers with particular expertise in the money markets, and which could benefit from regular consultancy advice. He targeted companies with turnovers of less than £25m a year and wrote to 45 chairmen suggesting that they use a professional to turn foreign exchange and interest rates to their advantage.

Seven companies took up Pearce's services after the first mail-shot. Since then, he has been achieving a remarkably high response rate of 15 per cent from further approaches to industry and commerce.

Pearce stresses that he is neither a soothsayer nor an economist. What he is offering

is his deep knowledge of currency instruments and his close day-to-day monitoring of trends, so that his clients can use the knowledge as another marketing tool. He says: "My job is to protect the industrialist from gambling with his profits on the vagaries of world currencies."

Compared with many professional fee scales, Pearce's foreign exchange and currency advice does not come expensive. He charges companies £1,000 at first to make a study of their businesses, then takes a retainer of £500 a month for an initial period of six months. He expects his turnover in fee income to rise from £40,000 in the first year to about £100,000 in the third year.

The rule of his business is that it will not deal on behalf of clients - only advise them. He will never handle clients' funds. He explains: "Our asset is our independence. We are not trying to make a turn..."

□ Pearce Management Consultants, Church Farm House, Aldbury, Tring, Hertfordshire HP23 5RS (tel. 04228-531).

R. H.

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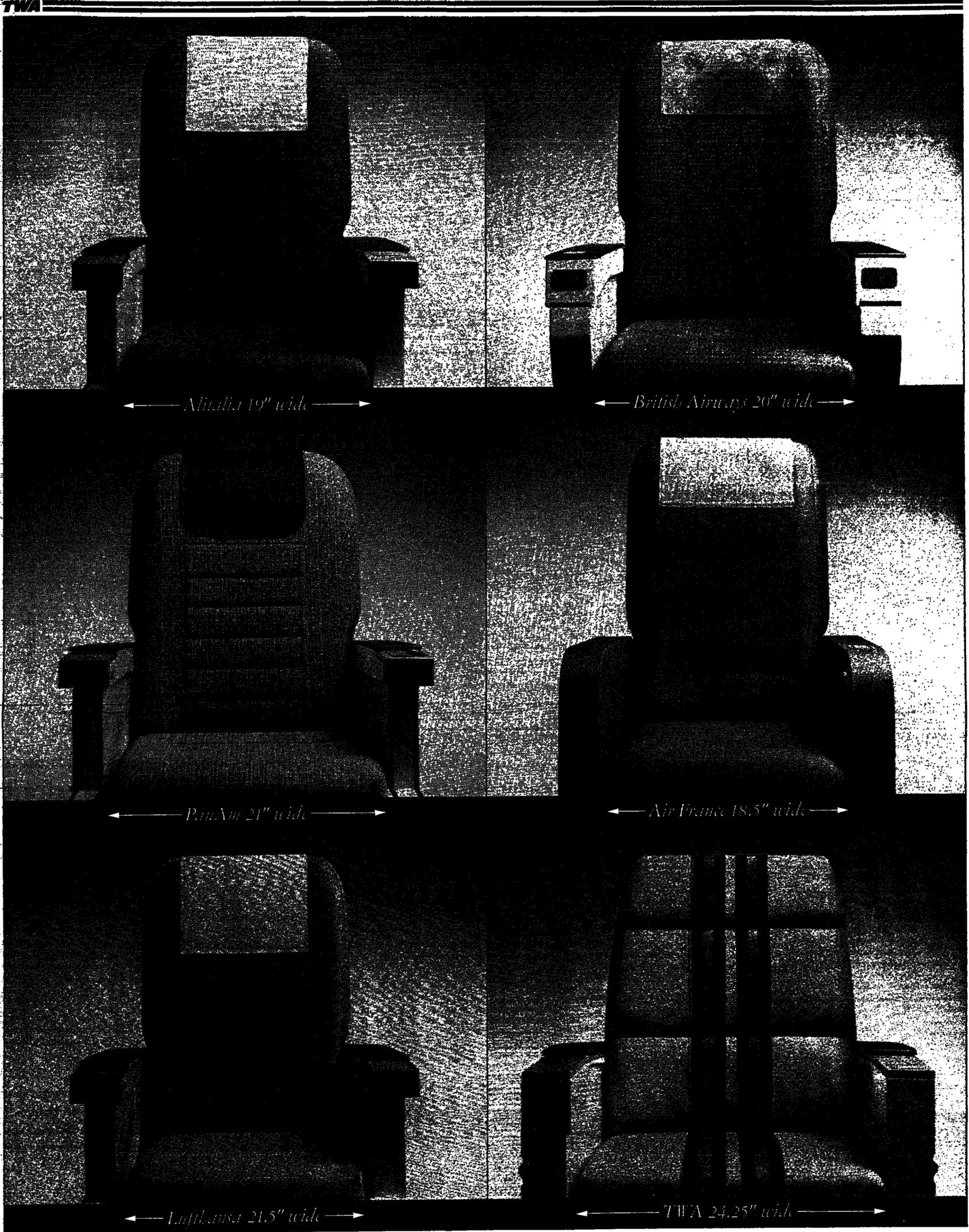
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PROPERTY

Farmers who live in an age of consents

John Brennan explains why development on agricultural land has become an important source of income

**F**ORGET barley and wheat, ignore the sheep lurking on the landscape and the tractors ploughing up worms for the birds - the two main cash crops for British farmers at the end of the 1980s have nothing to do with food production. They are planning consents and leisure.

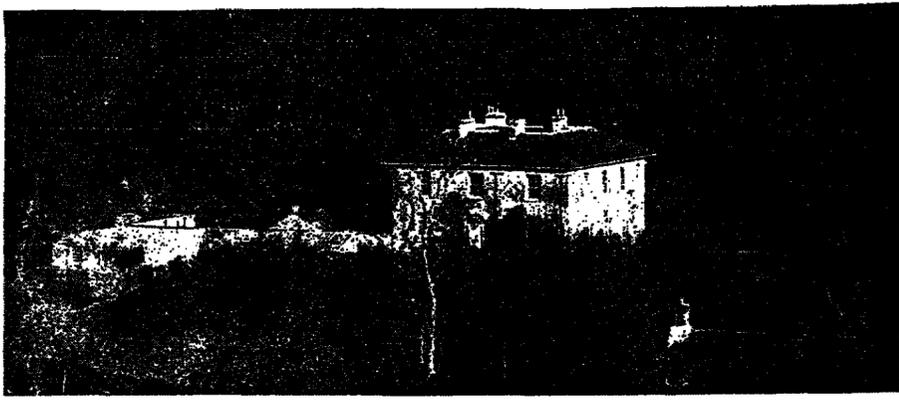
For generations past, farmers have been telling sceptical "townies" that living off the land isn't what it used to be. Now they can call on the calculator skills of Strutt & Parker's Teresa Stanford as proof that beyond the tax-deductible F-registration Range Rovers and the cash-only farm shops stands a countryside full of impoverished farmers earning less than their workers.

Stanford took the Ministry of Agriculture's records showing a £1.14bn estimate for total farm income in 1988, added up the number of farmers and divided the one by the other. The result was an average income of £75.60 a week, or 49 per cent of the average farm worker's wage.

There are 192,000 full-time farmers in the country and a further 97,000 part-timers, and even excluding the part-timers from the calculation, she came up with an average farmer's income of just £113 a week, which is still £42.50 short of a farm worker's all-too-scant average wage. "It cannot," she says, "be healthy to have an industry where the bosses are paid less than the employees, and it just illustrates the fact that farming is in a very difficult position at the moment."

Now, while this could be dismissed as one of those exercises in averaging-down to the absurd, there is some value in highlighting the impact of reduced subsidies and low crop prices on farm incomes. It does help to explain why so many farmland owners now spend their time studying their County Structure Plans, measuring their barns, and encouraging the undergrowth to grow on woodland that, in earlier years, would probably have been earmarked for a bulldozer cut.

The greatest of all price crops is the windfall planning permission, hence the hopeful scanning of those County Structure Plans. With a sharp-witted planning surveyor close to hand, one of our land-



THE RECORDS of Combe Fishacre House, five miles from Newton Abbott in south Devon, have allowed agent Jackson-Stops & Staff to track 150 years of price changes. Built in 1850 for local landowner

John Shepherd, the Grade II-listed, five-bedroom Georgian house was valued at £4,500 for a mortgage in 1854. The house and lodge were sold for £2,500 in 1903, resold for £1,700 in 1920, sold

again in 1925 for £3,000, and again that year for £2,250. The present owner's family paid £2,700 for the property and now, through the agent's Essex office (0292-214-222), it is offered at £200,000.

rich but cash-poor farmers can at least dream of the moment when the planners decide to zone the bottom meadow as an appropriate spot for overspill housing, a suitable case for retailing, or home for a job-attracting office park.

That is when the figure of £2,108 an acre - the national average farm land value, according to Strutt & Parker's most recent survey - turns into £250,000, £500,000 or even more as a development site. That's also when the planning-crop farmer blesses Chancellor Nigel Lawson for not axing roll-over tax relief on development land sales.

A major planning gain is the agricultural equivalent of winning the pools. More realistically, there are the surplus farm buildings to convert. In the days when farming was geared to increasing food production, tractors and combines grew their ad hoc stabling rigs shifted from brick-built units into low-rise concrete units, and cattle transferred to milking parlours designed like supermarket check-outs.

Agriculturally useless, yet preserved as part of the planners' image of an appropriately rural countryside, the surplus

farm barn itself has become a prized cash crop. Residential conversions for sale are the obvious, although by no means the only, option.

The Scott family illustrates what can be done to turn outbuildings into income rather than a single cash sale for conversions that can ruin the residential value of the main farm building. The Scotts would have ranked among the impoverished farmer class if they had tried to eke an agricultural income out of the 26 acres of south Devon land still attached to Flear Farm, East Allington.

Instead, they cropped the holiday rental market by converting the farm's stone outbuildings into six two- and three-bedroom holiday cottages and building a 40 ft heated swimming pool and vast games room in a spare barn.

By aiming for, and achieving, a quality of conversion that puts most of the usual slaps of whitewash-and-root-ful-of-mismatched-furniture holiday cottages to shame, and by restricting lettings to non-smokers, the Scotts have been able to achieve rentals of up to £580 a week for the largest of their cottages in peak season. In just two years of business,

they have achieved an occupancy level equivalent to 31 weeks a year per cottage with the far from Saatchi-esque annual advertising budget of just £300.

The Scotts now want to get back to "real" farming and so Flear Farm, with its past year's £20,000 gross income from lettings in a business that is barely off the ground, is for sale. Jackson-Stops & Staff (0292-214-222) has set a guide price of more than £750,000 for the land, cottages, a further unconverted barn with permission for conversion into two more cottages, and the main house - a comfortably rambling four-bedroom Georgian-faced farmhouse set apart from the cottages.

Jackson-Stops & Staff's Martin Lamb points out that the holiday lettings' profits at Flear Farm generate the equivalent of a yield of £2,300 an acre. It would take a generation of harvests to match that return from any other crop - unless, of course, that happened to be another leisure crop.

Amenity value for farmland stands at such a premium to its agricultural price that everyone in gumboots is

looking at country pursuits in a new, commercial light. Wider interest in field sports has driven up the value of sporting estates and good fishing rivers to record levels. The value of a field rises proportionately if there is something over it to shoot or a stream by it in which to fish. Sale prices can be equated to the average number of animals, birds and fish that can be bagged.

For a Scottish estate with good stalking, you would now expect to pay the equivalent of between £3,000 and £15,000 per deer. The capital value of a prime shoot puts the cost of a brace of grouse near £5,000, and the capital value of a single salmon can be £5,000 or more when it is counted as part of the annual catch for an angler-friendly stretch of water.

That is a price which, according to Andrew Smith of Savills in Scotland, reflects the fact that "there are fewer and fewer opportunities to buy fishing rights as more rivers are sold as timeshare, and freehold owners who have rights just hold onto them."

There is an unusual combination of amenity value and new generation high-value

farming in the sale, as separate lots of the western Scottish island of Tona Mhor and a salmon fishery created in its deep-water bay. If you were eccentric enough to revalue on a sporting basis the 130,000 salmon produced by Tona Mhor's Summer Isles Salmon Farm each year, you would have a catch with a notional capital value of £70m.

Not that anyone is going to pay £5,000 a fish to sit by the banks of a 15-metre Wavemaster cage packed with hungry "smolts" (toddler-sized salmon to those more familiar with fish won from the bridge than on the end of a line). Shovelling food at the fish and clicking up a 500-tonne watery harvest ranks as work rather than leisure, and so the salmon farm will be sold on a business valuation basis.

However, the 800-acre island beyond the farm comes into the amenity category and that is now on offer through Savills (031-228-6961) and Fialayson Hughes (0463-224-343) for "in excess of" £200,000.

On an agricultural basis, you would be lucky to get a few hundred pounds an acre for farmland in the Highlands and Islands. Tona Mhor - 80 minutes' drive from Inverness, and a short boat ride from the village of Achiltibuie on the west coast - is the largest of the Summer Islands with a history of occupation dating back to the Vikings.

At its peak, a century ago, the island and its local fisheries supported a population of 119 people in 21 households. It was uninhabited from 1931 until 1938 when Sir Fraser Darling, the naturalist, lived there for four years; later, he based a book, *Island Farm*, on that experience.

Tona Mhor returned to life as a working island with the establishment of the fish farm in 1961. It now employs four staff resident on the island and a further 10 sea-borne commuters from the mainland.

The island comes complete with nine modernised houses and cottages, and Smith says: "There are a number of companies active in fish farming who are likely to be interested in the business, but you never can tell who will want to buy an island. There are normally only two or three sales a year, and they always attract a lot of interest."

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**WEEKEND FT RESIDENTIAL PROPERTY PAGES FORTHCOMING FEATURES**  
 Over the next 2 months, the Residential Property pages of the Weekend FT will focus on the following subjects:  
**APRIL 1:** Property in Spain & the Canary Islands  
**APRIL 15:** Retirement Homes  
**APRIL 22:** Central London Apartments For Sale & To Let  
**MAY 6:** Property in Portugal  
**MAY 13:** Sporting Estates  
**MAY 20:** Waterside Living  
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**TEL: 01-873-3000 FAX: 01-873-3063**  
 If you wish to place an advertisement in the Weekend FT the new telephone numbers are as follows:

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GLoucestershire-Gloucester 7 miles. A magnificent Grade II listed French Chateau style house designed by SS Tesson. Entrance halls, 4 reception rooms, kitchen/breakfast rm, 5 beds, 3 baths, 6 secondary beds, staff flat, Oil CH. Garaging, stabling, swimming pool, tennis court. About 8 acres. Region £600,000. JSA: Bruton Knowles. Tel: (0452) 21267. S&P Cheltenham: Tel: (0242) 245444. Ref: 13A0340



DEVON/DORSET BORDERS-Aminster 2 miles. A charming former rectory with self contained annexe, situated in peaceful rural setting. Reception hall, 2 receptions, 5 beds, 2 baths. (1 en suite). Self-contained annexe, Oil CH. Coachhouse with garaging, woodland and paddocks. About 8 acres. Region £425,000. Taunton office: Tel: (0823) 277261. Ref: 13A0448

SUFFOLK-Ipswich-Hadleigh 7 miles. Attractive residential farm in pleasant rural situation with about 150 acres. 3 reception rooms, kitchen/breakfast room, 4 bedrooms, 2 bathrooms. Range of outbuildings. 138 acres Grade 2 arable land, 8 acres woodland. As a whole or in 3 lots. Region £315,000. Ipswich office: Tel: (0473) 214841. Ref: 13A0304

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LONDON PROPERTY PRUDENTIAL Property Services. HYDE PARK OFFICE: 40 Connaught Street, W.2 Tel: 01-262 5062. MAYFAIR OFFICE: 47 South Audley Street, W.1Y Tel: 01-629 3513. PIMLICO OFFICE: 23 Sussex Street, SW1 3RE Tel: 01-834 9496. CLIFTON PLACE, W2: A superbly furnished 1st and 2nd floor apartment with large bright living room, dining room, kitchen, 2 bedrooms, 2 bathrooms, 2 balconies, L1 71 sq. ft. FORTNASE TOWNHouses W1: Old Georgian St. Attractive 7th floor flat, some re-decoration, 2 beds, 2 baths, large terrace, large lift, overlooking 24 hour portering. L1 60 sq. ft. HYDE PARK SQUARE, W2: Excellent and spacious apartment in prestige block with 24 hour portering and concierge, large terrace, lift, 2 beds, 2 baths, access to square gardens, L1 60 sq. ft. LITTLE VENICE OFFICE: 26 CLIFTON ROAD, W9 1XK Tel: 01-286 4632. HAMBURGERS OFFICE: 25 Grosvenor Street, London W1X 9FE Tel: 01-629 6700

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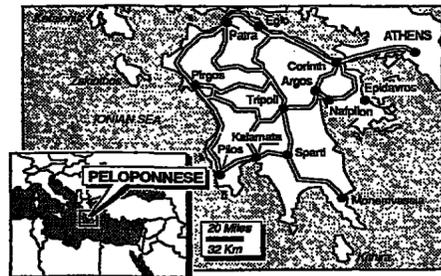
TRAVEL

The Peloponnese, a peach of a place

Angela Wigglesworth is overwhelmed by Greek history and the hospitality of a local taxi driver

VARIOUS OUR taxi driver, suddenly pulled into the side of the road by a fruit stall, jumped out, beckoned us to follow and bought each of us a large peach that he washed in a basin of water and peeled before handing to us.

churches and fortresses. But the place to which all the Empire flocked in the 3rd century BC was Epidaurus on the Argolid plain. Here, among groves of orange, lemon and olive trees, the air pungent with the scent of pine, was the birthplace of medicine, the home of the mythical Asclepius.



With no one around except the birds, you could really imagine those ancient Greeks performing here. Nearby are the buried foundations of the first Epidaurus destroyed by an earthquake around 400 BC whose mosaic floors can still be seen in the clear sea.

Palamedes who is said to have invented dice and board games to amuse his fellow Greeks during the battle of Troy. In 1828 it became the capital of Greece until Athens took over six years later. It is an attractive town with ochre houses and narrow streets.

Stoupe is a small village, its few shops, tavernas, restaurants and rooms to rent edging a curving beach of soft white sand. Up the lane from it, where tall banana palms grow, are the only hotels.



Statue of Apollo, leader of the Muses, in the Olympia museum. In the distance are the Taygetos mountains, solitary terracotta-roofed houses dotting the lower hills.

NINE OF the top ten restaurants in Europe now take plastic money, according to this year's Guide Michelin, thus finally making the tradition that for the greatest meals, cash cannot cash would do nicely. The only exception is Fredy Girardet at Celerier, and he is in Switzerland where the credit card is not yet king.

Access, Visa, Amer and Diners were added to the guide book. Until the late Seventies restaurants were chosen by innards, and rooming by their charm. Increasingly, they are now chosen by the credit-card stickers on their windows.

That'll do nicely, I'm afraid. list of where you have to pay cash grows shorter every year, as Carte Bleue cuisine begins to bite. Card charges cut a vital 4 per cent into the honest restaurateur's already low profit margins, and the ingredients and cooking suffer as a consequence.

loss on the turn when they change it back into sterling. They have eaten plastic funded by plastic, and slept in whatever Eurotel has caught their eye on the motorway.

cards on the principle that the bills will take months to surface are behind the times, with fund transfer now measured in hours even from the remoteness of Galicia.

restaurant entries, even before your feet hit the cobbles. If they don't take your plastic, you don't eat their food, no matter how good. And for those holders up to their limit, the sight of an electronic card scanner is a further put down.

often a mark of an establishment taking itself too seriously. Second, Italian restaurateurs are reluctant to remove out-dated stickers for cards which no longer run. The latter means that you could be in for one of those three-hour Italian blow outs, topped with espresso and grappa, and a bill that the pathetic pieces of plastic will not cover.

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BOOKS

# Trying to catch up with the language

Anthony Curtis browses through the enormous new Oxford English Dictionary, and its electronic aids

WHAT IS the Oxford English Dictionary? What is its status as the final arbiter of the language we speak and write? "It is not an Academy," said Dr E. S. C. Weiner, one of the co-editors of the new edition which is published next week in 20 volumes.

The editor means that it is not an Academy on the model of the French Academy, where a group of literary savants sits solemnly in judgment on new words and decides whether or not to admit them into the language for approved usage.

"The dictionary," Weiner told me in his office at the Oxford University Press last week, "is a description of the language." Moreover, it is a description of a living language. This was the intention when the project for first compiling such a dictionary was aided by some members of the Philological Society of London University in 1857. It was to give the dictionary its unique character when the project was implemented — it took 76 years — under various editors in Oxford.

The description of each word in the language is illustrated by its actual use through a series of quotations. These are chosen to show the first time the word was used in a given sense. Read consecutively, these quotations amount to a mini-biography of the word, describing the changes in its fortunes since its first appearance in English.

The dictionary can never completely catch up with the language it is trying to describe. Like the painters at work on the Fourth Bridge, it is always in arrears. When the first edition was finally complete in 1933, work started immediately on the supplement, and then on supplements to the supplement. The four volumes of the supplement "with corrections, revisions and additional vocabulary," edited by Dr R. W. Burchfield, were published in 1967; yet in this second edition, which combines the original OED and the supplements, 5,000 new words have been added.

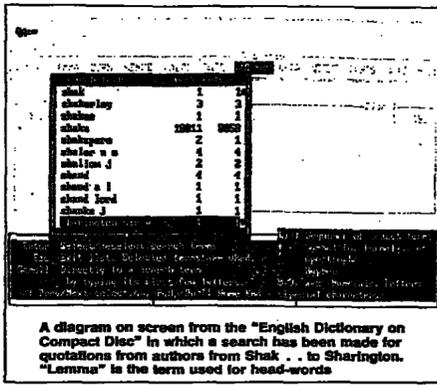
Many other changes have been made. The most far-reaching is the replacement of the phonetic script devised by the great H. J. R. Murray by IPA (International Phonetic Alphabet). In this, a mark is put before the part of the word stressed and not, as with Murray, after it.

Is the language now changing more rapidly than ever? Weiner would not wish to be dogmatic about that. Certainly, the endless input of new usage from so many different sources, trades, technologies,

and countries outside the UK gives an educated user of English access to many more opportunities for new usage than his counterpart in the 18th century. In this situation, the process of change and renewal is likely to be more rapid than before. How do Weiner and his co-editor, J. A. Simpson, keep pace with the flow of new expressions and modification of old ones?

The dictionary has always relied on a dedicated band of readers, some paid and given specific texts to read, but dozens more who do it on a voluntary basis. Early readers included Gilbert White, Flinders Petrie, Leslie Stephen and Charlotte M. Yonge; and, during her lifetime, Marghanita Laski is reputed to have sent in some 250,000 quotations.

Even in our modern electronic era, the innumerable slips of paper containing these bits of evidence of uncommon or interesting usage still represent the raw material on which the editors and their colleagues work; but now they have an incomparable electronic tool to assist with the task of collating, revising, checking and scanning. Weiner happily acknowledges that "the com-



A diagram on screen from the "English Dictionary on Compact Disc" in which a search has been made for quotations from authors from Shakespeare to Shakespeare. "Lemmas" is the term used for head-words

puter is God's gift to lexicography."

The second edition was made possible by a fascinating and highly complex application of computer technology to the editorial problem. It began in 1984 when the entire text of both the dictionary and the supplement — some 6m words — was captured electronically, keyboarded by International Computer Corporation, an American subsidiary of Reed International. The two works were then merged with software devised by a department of the University of Waterloo in Canada. Human beings at the OUP then went through

the text adjusting the "joins" and making further corrections. A completely new text editing system called Oedipus — Oxford English Dictionary Integrating, Proofing and Updating System — was developed.

One by-product of this work was to put the text of the original dictionary on a single compact disc, available commercially as *The Oxford English Dictionary on CD-ROM* for use with IBM-compatible computers. This is an additive tool, as I discovered during a demonstration, but it also has important and time-saving research applications for scholars. Not only does the user have immediate access to the text in diagrammatic form, with the main word and variants highlighted in a system of colour coding; it means also that the dictionary can now be used in a number of ways as a data-base.

Someone who was writing a thesis on nonsense language and wanted to make a list of all the words in the language that had been invented originally by Lewis Carroll, could ask the computer for a list of all the Carroll quotes in the dictionary. After a minute or two's search, he would be pres-

ented on screen with the substance of the required list.

I set up a project that involved a request for a list of all the quotations from Shakespeare which had any naval or nautical words in them. Again, within a few minutes I had an intriguing batch of quotes starting with *The Tempest* and giving side-glances at Hakluyt. I felt I was well on the track of producing a scholarly tome on *Shakespeare's Nautical Language*.

If I had really been working on this topic I could have continued my research by reference to the electronic edition of *William Shakespeare: The Complete Works* — the Oxford text of 1986 edited by Wells and Taylor — and I could have used this in conjunction with another software tool, Micro-OP, which is a text-analysis package producing word-lists, indexes and concordances from texts in a variety of alphabets and languages.

In spite of these highly sophisticated electronic aids, it is significant that the new edition of the dictionary is not available on computer. Nor are there yet any plans for it to be marketed as a software package. This seems slightly puzzling. If, in order to produce it in book form (20 volumes), it had to be computerised, why not publish a CD-ROM as with the earlier edition? Even better, at this will, surely, happen but, at present, the OUP's enthusiasm for its electronic products is tempered by caution. "We are still at the pilot stage in electronic publishing," said Adam Hodgkin, of the academic publishing division.

The software program for the new dictionary will need to be revised to include more fields, particularly the pronunciation field. There is no technical barrier, for example, to programming the computer to read the phonetic alphabet and reproduce the sounds orally. At present, though, all that seems a long way off, and the printed volumes of the dictionary seem likely to maintain their sovereignty on the shelves for many years to come.

■ The Oxford English Dictionary, Second Edition, prepared by J. A. Simpson and E. S. C. Weiner in 20 volumes, £1,500 the set.

■ The Oxford English Dictionary on CD-ROM, 1986, with Shakespeare: The Complete Works, Electronic Edition, £150.

■ Micro-OP is available to individual purchasers at £168 and to institutional purchasers at £250.

■ All the above may be ordered from the Oxford University Press, Walton Street, Oxford, OX2 6DP

Fiction for Easter reading

## Such uncompromising chroniclers of life

LIKE MANY of his German contemporaries, Heinrich Bill was much possessed by death. He saw a lot of it during the Second World War, and ghosts never fail to haunt his work. *Women in a River Landscape*, completed just before he died in 1985, is a novel of mostly women's reminiscences — of lovers and brothers — and a description of a young woman who happens now to woman house beams by Germans before the Russians could get to them; later, of corruption and cover-ups.

The flashbacks, the wild, compelling visions which emerge from a handful of linked soliloquies, are harrowing. Really sinister, though, is what happens now to woman who remember too well, whose accounts conflict with the authorised version of history laid down by the new regime. The wife of one politician ends up in a plush sanatorium especially equipped — with docile young men and valium-tamed deer — for women "to have their minds corrected."

Tenderness always filters through, but it's a rich, raw, do-it-yourself Germany of ancient myth mixed with up-to-the-minute intrigue. Who, for instance, goes from house to house chopping up the grand plans of the Bonn's eminent bankers and once played by Brahms and Wagner? Why does a nobleman earn his living by stealing Mercedes cars? And if neither Old World charm nor capitalist enterprise can save the place, is a one-way ticket to Nicaragua or a strong curtain-cord the answer? Bill's women are bleak and uncompromising chroniclers.

Harsh revelations, too, from a younger band of female chroniclers, this time the adul-

- WOMEN IN A RIVER LANDSCAPE** by Heinrich Bill  
Scker & Warburg £10.95, 208 pages
- A WOMAN'S GUIDE TO ADULTERY** by Carol Clewlow  
Michael Joseph £11.95, 208 pages
- THE MAN WHO WASN'T THERE** by Pat Barker  
Virago £10.95, 240 pages
- OUT OF THE LINE OF FIRE** by Mark Henshaw  
Hamish Hamilton £11.95, 207 pages
- THE MUSIC PROGRAMME** by Paul Micoiu  
Bantam Press £11.95, 249 pages

teresses whose energetic defiance of the feminist motto, "Thou shalt not make another woman unhappy," is the subject of Carol Clewlow's second novel. *A Woman's Guide to Adultery* is just that: everything you ever wanted to know about why not to do it, yoked into a fairly convincing tale about how impossible it is to resist. For if, as Ms Clewlow insists, all the desirable men are attached, can one blame mature student Rose for trying her luck with her post-structuralist married tutor, or wistful, whining Jennifer for sweeping the college's writer-in-residence off his feet, out of the arms of his live-in lover and, hastily, up the aisle?

Well yes, says Ms Clewlow,

one can: "A woman taken in adultery should be stoned, by other women." This is a sharp eye and very funny fable, written energetically and astute about social and sexual mores. But, somehow, in this context heartbreak seems no more severe than a hangover.

Pat Barker's novels about poverty and deprivation in the north of England have always struck me as a bit too jolly for their own good, and *The Man Who Wasn't There* is no exception.

Twelve-year-old Colin, growing up in the 1960s, plagues his waitress mother about his father's identity until, for a quiet life, she tells him the dashing story about an RAF pilot shot down in the war. It bears an unfortunate resemblance to a film Colin sees a few days later, driving him to reject everything she ever says and to construct his own fantasies of heroism and loss.

It's an appealing theme, treated sensitively. Colin's imaginative world dovetails neatly with the drab goings-on at school and in his grandmother's kitchen, but Pat Barker's efficient, bristling style cannot work overtime and neither plot quite catches fire.

Mark Henshaw's first novel, *Out of the Line of Fire*, has a story so convoluted that it makes as much sense to unravel from the end as from the beginning. It is another family tale, the problem here being over rather than under-exposure to parental influence. Young Wolfi Schonborn, PhD, is a *wunderkind*, too clever for Heidelberg University and too clever to let his inquisitorial father notice that he has his eye on both his sister and his mother. But the



Heinrich Bill: possessed by death

Australian narrator (alias Henshaw) enjoys chasing wisps of incest through a book otherwise packed with quotations from Heidegger and Wittgenstein, and eventually the well-ordered bourgeois family is revealed for what it is.

A long day's journey into a rather predictable night is made even longer by the translation of large chunks of English dialogue into German. As if some sort of parallel text were needed to give the novel authenticity. But not for a moment does it ring true, in either language.

Imagine a benign and cheer-

ful *Black Mischief* and you have something of the flavour of Paul Micoiu's comic fantasy, *The Music Programme*. Diplomats pursue high-fidelity infidelity on the African island of Tinbal, while civil and not so civil servants investigate anti-American bias in an international agency sponsoring new music on the continent. "Frilly-cuffed Mozart" can always be relied on to drown the noise of a nearby coup, and a good and entirely silly time is had by all.

## The PM's legal eunuchs

"THE SELECTION of Lord Mackay as Lord Chancellor was... widely welcomed, for it was felt by many that, after the long reign of Lord Hallam, this Scotsman would bring a breath of fresh air to the office."

It is interesting to speculate on how Lord Rawlinson's view of the Lord Chancellor who broke the mould would have changed had the publication of his memoirs come after that of Lord Mackay's green papers.

The "breath of fresh air" has proved anathema to Rawlinson, along with almost the whole of the English legal establishment, which is up in arms at the radical check of this Scotsman who is daring to interfere with the English legal club.

Rawlinson, a former Conservative Attorney-General, has warned that he is ready to resign the Whip if the Government presses ahead with the Mackay reforms, and said he thinks the present Attorney and Solicitor-General should both resign.

There is a prophetic ring when he writes that Mackay's personal qualities "should not disguise the significance of the fact that, for the first time, there are set on the Woolpack chairs with the responsibility of administering the English (not the Scottish) law and of selecting the English (not the Scottish) judiciary, a man who had never been trained in the English law and who had never practised in the Law Courts in the Strand or in the Old Bailey or in the Crown Courts throughout England and Wales."

Much of the outcry over the green papers has been about the proposal for a degree of government control over the

legal profession. Rawlinson would probably see this as the logical extension of a process which he has seen developing over a number of years: the politicisation of the law officers.

"Whitehall has at last succeeded in changing the way to transform them into ministerial legal servants, government legal eunuchs. The post of Lord Chancellor has become that of just another political bureaucrat in the Cabinet... while those of the Attorney and Solicitor-Generals have been transformed into that of some legal consultant to the Minister or Mistress, the Prime Minister."

It has been neatly accomplished, and without any debate either in parliament or the profession over whether the eunuchs will give a better service to the administration of the law.

The other (coincidentally topical) part of Rawlinson's book, which distinguishes it from the autobiographies of other lawyer-politicians that have appeared in recent years, deals with the Profumo affair.

Rawlinson, then Solicitor-General, was one of the five ministers concerned in the preparation of the statement that Profumo made to the House and later confessed had been false. Following Lord Denning's inquiry into the affair, Rawlinson offered his resignation. "I did feel that, as we had been wrong, a price

ought to be paid, that some head ought to roll. Mine might have taken some of the pressure off John Hobson" (the Attorney-General). However, the Prime Minister, Harold Macmillan, refused to accept the offer and Rawlinson's resignation might only help to bring down a Prime Minister whom I greatly admired."

Rawlinson writes interestingly about Edward Heath and Margaret Thatcher, plainly finding the former the more sympathetic. He says of Heath: "He had built for himself that outer carapace inside which lived the very private and sensitive person who was ever struggling to get out. He found the small change of social life truly difficult. He could not flirt with women or these men. So he brushed all that aside as being unimportant and trivial and a waste of precious time. But, in reality, his manly soul was longing to carry off all those things which a man of those things finds easy."

Rawlinson recalls his first sight of Margaret Thatcher in 1959. "She had a creamy pink and white complexion and beautifully, too, beautifully, coiffed fair hair, not a single strand out of place. But there was a rather prim pursing of the lips."

Later in the House, when she became a minister, she had won her spurs and when they were on her boots for all to see, there was not the same three some need to draw attention to herself... It was only when the House and later confessed had been false. Following Lord Denning's inquiry into the affair, Rawlinson offered his resignation. "I did feel that, as we had been wrong, a price

**A PRICE TOO HIGH: AN AUTOBIOGRAPHY** by Peter Rawlinson  
Weidenfeld & Nicolson £16.00, 264 pages

Raymond Hughes

CHRISTOPHER HOPE'S novels don't move in straight lines, from present to future or back into the past; there is no single narrative line. They meander, crack open, bulge, sink, question, suggest, entice and sometimes infuriating the reader who must keep alert not to miss what's what.

La Frisette, a pretty town in southern France with its lake, ruined monastery, right-wing politics and old hatreds from the war, nurses a reluctant though exotic narrator, 15-year-old Bella. Her father has vanished, presumed dead, in Africa and her mother has vanished just as emphatically, although still alive in California. An African ex-ruler, rumoured to be a cannibal, turns up to take the whole top floor of the biggest local hotel and seems to have been Bella's

## Add a cannibal and stir

father's friend. Is Bella to become his fifth wife? Such a question is far too abrupt and overt for so flimsy a plot.

The satire is sharp, though. Characters may seem to wander aimlessly through the action but they may suddenly sting. The trendy village priest, for instance, who has replaced the Stations of the Cross in his church with "pictures of Jesus" is nonetheless a fervent supporter of the local right-winger, Monsieur Cherubini, hugely popular for wanting to reпатриate every black face around (including, most ferociously, Bella's new friend).

Bella's visit to her admirer's country, Zanq, where she rides

in a bus called Sweet Little Me beside an ant-eater with diarrhoea, is about equally hilarious and sinister. And the past looks as sinister at home where her grandfather, shot at dawn "for France," turns out to have been in the pro-Nazi militia. A tale for our terrible times, told lightly but with a heavy heart.

Just occasionally, the person and the artist come together, and something that actually happened is transferred successfully to fiction. Not always, of course. The cherished notion that experience makes a novel often comes a cropper. But in the case of Margaret Forster's *Have the Men Had Enough?*, her close involvement with

recent events triumphs. When her mother-in-law died, she decided to make a novel of it and wrote the whole book in six weeks flat. And the passion shines through. Not just that, though. A novel painfully full of feeling, and totally credible, it is also a valuable piece of social comment. Social workers, geriatricians, local authorities, please note.

What's to be done about adultery in Hampstead? You can change the location to Clapham but the fictional familiarity remains, particularly when the main adulterer is one of today's most familiar figures — the telly guru and fashionable don, writer of books, giver of lectures, broadcaster, attendee of international conferences. Victoria Glendinning's first novel suffers from a sense of déjà vu.

It is not, as the title might seem to imply, a child's vision of adult goings-on. There is no

### Jacky Wullschlager

single-eye view, no particular level of age or judgment; its view is one of god-like omniscience.

Um, an old fellow with a young wife, has left his first wife to a sort of madness when she realises he just doesn't care. Although not outrageously adulterous, he fancies his wife's friend; and at a congress in Washington, he is besotted temporarily with an academic French woman, who falls heavily for him.

Soon he dies, leaving a love letter in a pocket, so his wife knows. Was he pushed towards death? There are plenty of suspects and possibilities but the omniscient teller isn't telling. In spite of its familiarity (characters, places, situations), it is stylish and one wants more. Particularly more of the eccentrically passionate outbursts about life today when anger cracks the even surface; more of the occasional subtlety of observation, full of polished surprises, upon well-worn scenes. Further novels, in fact, from this gifted biographer.

**ANITA LOOS: A BIOGRAPHY** by Gary Carey  
Bloomsbury £14.95, 331 pages

THIS IS the story of a woman who was a trend-setter, an achiever. Gary Carey, who cut his biographical teeth on Douglas Fairbanks, Mary Pickford and Louis B. Mayer, has given us a thoroughly researched insight into the life of Anita Loos, most famous for *Gentle-*

man *Prefer Blondes*.

The idea for that book came to Anita on a train journey from New York to California in 1926, and she scribbled an outline on scraps of paper as the train rumbled over the prairies. It took the book world by surprise and became a best-seller.

The heroine, Lorelei Lee, became the archetype of the blonde and giddy flapper with

ter" is invested with the same ringing gravitas.

The storm at the centre of this tea-up involved the OUBC president, Donald Macdonald, and a rather recalcitrant American captain, Charles "Corky" Clark. Briefly, Clark had become disaffected with Topolski's training régime, and his unpredictable behaviour was thought to be a disruptive influence on the squad.

**TRUE BLUE: THE OXFORD BOAT RACE MUTINY** by Daniel Topolski with Patrick Robinson  
Doubleday £12.95, 320 pages

Tempers simmered for months until the crew, which included Clark and four other Americans, informed Macdonald that they didn't want to row with him — and "mutiny" was born. Sides were taken and sparks began to fly; or, in the idiom of *True Blue*, battle lines were drawn and the opposition was engaged.

The martial metaphors begin to fly thick and fast. Eisenhower, Patton and Montgomery are invoked; Macdonald's

fightback is an "operation" which had to be "swift, brutal and without mercy." Those expecting a second Night of the Long Knives will be disappointed, however, since said operation simply involved sacking Clark and delivering a iron-fisted ultimatum to the other "rebels."

From here on, every other page seems to bring another confrontation, another decision; you'd think they were limbering up for the Treaty of Versailles. In this setting, the characters do not converse so much as orate, and that with near-Ciceronian pomposity. At a secret confab, Macdonald harrangues Clark: "Corky, you assume this extraordinary position where you think you can not only pick the crew, but also name presidents with not one single thought for the ordinary democratic process of the college captain which has survived here since the Duke of Wellington was Prime Minister of England." All this needs is a few verses of Kipling and a burst of applause to round it off.

And yet... and yet, I was absolutely gripped by the whole thing. Whether hunkering down on the tarpaulin or savouring a post-battle, *True Blue* exerts a wrenching compulsive hold. I read of Topolski's best-minute switch from aluminium oar-blades to wooden ones with something very close to reverence; the change proved instrumental in Oxford's astonishing 1987 victory over Cambridge, a miracle to rank with the Greeks' triumphing the Persians at Salamis... Hmmmm — I think that military manner is catching.

**Biography**

a penchant for rich men and the diamonds they could offer. The book also took a light-hearted, acerbic look at the sexual mores of the rich and well-connected before the Second World War.

Gary Carey reminds us that Anita Loos was known for much more than just this blockbuster. Born in April 1883, her career involving plays and films lasted well over 70 years.

Lucinda de la Rue

Anthony Quinn

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DIVERSIONS

Easter in the garden

Carry on weeding but don't mulch

**A**N EARLY Easter is a blessing for gardeners: it allows us to catch up before we have all fallen behind. Like most blessings, it is mixed, putting some jobs better than others. This year, it is compounded by an extraordinary season which has made us feel as if we are plunged into late April. It will be easy, then, to bring the timing of jobs forward and to do the wrong things first.

Personally, I will be planting and weeding, sowing some overdue seeds, deciding the fate of the lawn and raking a look under the swimming pool's winter cover, not until Monday evening. There is no knowing what might be breeding underneath. I will not be weeding the lawn yet, but I will be weeding all paths and hard surfaces, using Super Weeder. It is reasonable to feed the lawn now with a nitrogen-based feed or with plain old Growmore and then to kill the weeds later, a job best left until May. There is reason in this sequence. If you push the weeds into growth and build up the strength of the surrounding grass, you can hit the weeds even harder with your selective follow-up and you also have a better chance of coaxing the grass to fill the dead patches which the weeds have left behind. Imitate the habits of a tyrant: be kind first, and clout them later.

What about rolling the grass before you mow it? After last year's turfing in a snowstorm, I am tempted to order a 30-ton weight and squish the surrounding level of the rest of the lawn. However, heavy rolling is never a good idea and this year, it is a particularly bad one.

We never had a serious frost to smelt turf and lift it into busses, the only excuse for using roller on it. Instead, we have had rain, and if you crush the lawn before its first April mowing, thinking that you are levelling the arena for the mower, you will pack down the soil and clamp the roots into a multi-panake. Leave rolling to the groundsmen.

It is still too early to sow seeds, directly outdoors, but you can try my new trick with the seeds of sweet peas instead. It is not actually my own trick. It is the old trick of a spectator who, looking at any elements to which the which looks call "nicking the seeds."

This business is a finely-

judged scrape with a sharp knife or file on the opposite side of the seed to the one from which you expect it to germinate. It has a very close relation called "nicking the fingers." I have at last discovered that you can rub the seeds between two sheets of sandpaper instead. About a dozen rubs up and down will crack their hard coats and allow sweet-peas to take up water and burst into growth. Time is always by, but you can still start the seeds under glass or in a heat of about 60 degrees F. You can also start them in



THE ULTIMATE BUDGET-PROOF ECONOMY: the course of old rolls of loo paper. Throughout the winter, weeds and earthworms have been tearing through their loo-rolls to get at those cardboard tubes in the centre. If you fill up these tubes with compost and stand vertically, you have an ideal pot for a young sweet-pea which likes to make very long roots and tubes to be disturbed when it is planted into the garden.

The tube can go straight into the ground, where it will rot and allow the roots to spread sideways. I mention this idea, passed on by a reader as a gardening quirk, for those who agree that one point of gardening at all is to take revenge on the manufacturing economy.

What about weeds and weed-killers in flower-beds? I will not be there. Tumbleweed-ing, plying the poor organic matter to the which looks call "nicking the seeds."

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judged scrape with a sharp knife or file on the opposite side of the seed to the one from which you expect it to germinate. It has a very close relation called "nicking the fingers." I have at last discovered that you can rub the seeds between two sheets of sandpaper instead. About a dozen rubs up and down will crack their hard coats and allow sweet-peas to take up water and burst into growth. Time is always by, but you can still start the seeds under glass or in a heat of about 60 degrees F. You can also start them in

weeds by natural suffocation. I admit that it is a shade early, but weeds are already growing impudently and I like to reserve the chance of a second attack before the season is too far advanced. Try to pick that elusive Easter moment when there will be no rain for the next six hours, but when the ground is not dry and the plants are receptive. Remember that Tumbleweed kills only through the leaf, unlike Weeder, it is wasted if it is sprayed on bare earth.

At some point the garden centres will pull me in and I suppose I will surrender and pay £5 for a clematis. Somehow, I have always always scores (the best, but not the easiest, to propagate), but I will settle for three others in my top tier: Henry (the best white for every person's purpose), Tangutica, a better-performing yellow than the "Orange Peel" orientalis, and the purple-blue The President because you can always grow it through another shrub if you return home and wonder where you ever thought you were going to plant it.

Give us a fine Easter Monday, and I may even rig up my oldest Good Intention, a square of chicken wire fixed horizontally on to pegs about a foot above ground. Clematis can be grown horizontally on this unappealing frame, covering it like a cloth on a table-top. The idea works beautifully and with some early training, you can space out the flowers and for once, see them fully by looking down on them, not up into a langle.

Lastly, mulching. It is common knowledge that mulchers put at least three inches of decayed compost, chopped bark or shredded manure onto their flowerbeds in spring; they block out new weeds and have a much easier summer of it. The job is essential if you want peace and have the compost, or enough cash to buy it, but this Easter is a little too early to be doing it. Those blossom-trees are still deceptive.

The soil itself has not really warmed and a mulch is best put on when the ground is no longer cold. Press on resolutely with weeding in the wind, perhaps the unchanging message for anyone who ever wants to know what to do. After cleaning the surface totally, you can then seal it with a proper mulch in another three weeks' time.

Robin Lane Fox

**I**NURTURED my grievance against the Ordnance Survey for almost a year. It was born last winter when my son Danny and I set off up Beinn an Dothaigh, one of the Munros - the Scottish peaks over 3,000 ft high - in the Central Highlands close to Rannoch Moor.

It was to be our second Munro of the day. We had already used map and compass to climb Dothaigh's neighbour, Beinn Dorain, in a winter white-out, and upon returning to the col between the two peaks we contemplated the route up Beinn an Dothaigh. It appeared to pose a more complex navigational task, compounded by disquieting inconsistencies between the Ordnance Survey map and the description in our Scottish Mountaineering Club guidebook.

According to the OS map, Dothaigh's summit lay at the end of a ridge running due north from the col, with its height shown as 396 metres. The map showed a second, lower peak, unnamed, half a mile to the east, according to the guidebook, the map was wrong. It claimed that Dothaigh had not two, but three peaks. What was more, it was the middle of the three, the highest, at 1,002 metres. We took the book at its word - it was, after all, the official guide to the Munros - and plotted our route.

The summit (ie the guidebook summit) lay on the edge of a barren plateau. We decided to follow Dothaigh's north ridge to the first peak and head due to the summit from there, relying mainly on our compass. We had been climbing for about an hour when suddenly the ground beneath us gave way and we were torn apart by the wind. Before us was a magical panorama, all three summits rising from the summit ridge like beacons. It came as a moment of revelation: "like waking from a nightmare," Danny said.

We took a compass bearing in case the clouds returned, then headed across the plateau for the middle summit. In no time at all we were at the cairn, our success given added relish by the wind surging up from the glen beneath and the savage landscape beyond.

We noticed that the ground seemed to rise towards the third peak to the east, but this is a common illusion in the mountains and we accepted the guidebook's assurance that we were in the right place. Two hours later we were savouring our success at the 48th Munro - at the Bridge of Orchy hotel.

I had always wanted to confront the Ordnance Survey over their apparent error, and last month I did so. At the OS headquarters in Southampton, John Bigg, one of the mapping managers, listened to my story of the unmapped summit. Which map, he asked, had I been using? I produced it: sheet 50 of the First Series 1:50,000, also known as the Landranger series, published in 1982.

Bigg nodded sagely and explained. The First Series 1:50,000 represented something of a compromise. It was the first metric version produced by the OS, converted from the old one-inch map, itself based on general surveys dating back to the 18th century. But in the 1960s and 1970s the Ordnance Survey had conducted a complete aerial survey of Britain. It had since published a Second 1:50,000 Series and Bigg produced the new sheet 50, dated 1988.



Peter Gillman on the wrong summit of Beinn an Dothaigh

Wrong-footed by a fit of mountain pique

Peter Gillman takes the Ordnance Survey to task over a mapping 'error' which cost him a Munro

It still showed only two peaks on the summit ridge. But the western peak, originally 396 metres, had been upgraded to 1,000 metres. The eastern peak now appeared to be higher, at 1,002 metres. So where, I asked, was the guidebook's middle - and supposedly highest - peak?

Bigg produced an aerial photograph and a sheet of tracing paper. The photograph had been taken from a height of 12,900 ft over Beinn an

comparing that information on to the smaller 1:50,000 map, its compilers had merely decided to show the height of the eastern summit alone.

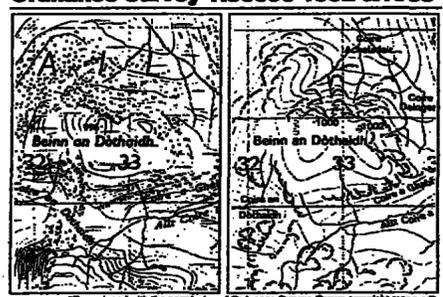
I objected that the compilers had been "economical with the truth," for their decision had implied that the eastern summit was higher than the western one. But in purporting to correct a small error the SMC guidebook had committed a greater one, particularly as the larger-scale maps, clearly

evocative representations of features like rock-fields and scree, enhanced through the bold use of brilliant colours that render it a work of art.

It derives from what may now be seen as a bravura period in the Ordnance Survey's fortunes. The history of the Ordnance Survey has all too often been one of betting against economies imposed by Whitehall. But the 1:25,000 Second Series, launched in the 1960s, appears to reflect a more confident and imaginative age.

Much of the credit is due to the redoubtable Kathleen Vyse, who worked for the Ordnance Survey for 40 years and was awarded the British Empire Medal before her retirement in 1983. As head of the Rock Drawing Team, Miss Vyse was determined that the areas she covered should appear both realistic and "alive" and she made field trips to Scotland to compare her portrayals with the real thing.

Ordnance Survey 1:50000 1982 & 1988



Dothaigh. The tracing paper showed the contour lines of the mountain, transcribed by an Ordnance Survey official - an "observer" - using a three-dimensional machine known as a photogrammetric plotter. The middle peak was clearly to be seen. But, to my dismay, its height was marked as a mere 987 metres.

By now the awful truth had sunk in. The middle peak was not the highest, but the lowest of the three. We had not climbed our Munro.

While sympathetic, John Bigg defended the 1982 1:50,000 map. Previous larger-scale maps, such as the pre-metric six-inch edition and the post-metric 1:25,000, had in fact correctly shown the relative heights of the three peaks. In

showing the true summit, had been available to the authors at the time.

Certain lessons became clear. First, Danny and I should have heeded our instincts and trekked the final quarter-mile to the third peak, just to be sure. Second, it is foolish not to take the latest Ordnance Survey map available. Third, and most fundamentally, hill-walkers are best advised to use 1:25,000 maps, above all in white-outs.

Not to do so, in any case, is to forego one of the supreme examples of map-making. The 1:25,000 edition conveys, almost palpably, both the substance and feel of mountain terrain. Its precision is astonishing, with even large boulders precisely marked, combined with

Such qualities stem from the commitment to excellence that has characterised the work of the Ordnance Survey from its origins at the time of Napoleonic Wars. The British army called for a map of potential invasion areas and the task was given to the Board of Ordnance, based in the Tower of London and until then principally responsible for supplying the army's munitions and for maintaining military posts.

The Board's surveyors produced a one-inch map of most of England's south coast and the name "Ordnance Survey" became officially enshrined. The department moved to Southampton in 1841 but it was not until 1983 that the last formal links with the Ministry of

Defence were abolished. My experiences on Beinn an Dothaigh notwithstanding, the measurements made by the Victorian surveyors have proved remarkably accurate. Today's map-makers have of course the advantage of working from the photographs obtained during the aerial survey of the 1960s and 1970s. Most were taken from between 7,500 and 12,500 feet and overlap by 60 per cent. When fed into a photogrammetric plotter this provides a stereoscopic image for the map-makers to trace. But the Ordnance Survey still has a retinue of officials out in the field who report the latest details of Britain's changing landscape.

Ironically, given the Ordnance Survey's military provenance, its map-makers are irked when they are required to omit details on security grounds. By exactly how much it has often been the Royal Ordnance itself - successors to the original Board of Ordnance - which has demanded this act of censorship.

Thus a railway line visible to motorists on the M5 near Bristol is not to be found on the relevant sheet because it serves an ammunition factory at Puriton near Bridgewater. The factory itself is a literally a blank on the map. Although publicly guarded, Ordnance Survey officials may be heard to mutter, sotto voce, that they find the whole thing ridiculous.

Perhaps most ridiculous of all is the disappearance of the vast Fylingdales early-warning station on the North Yorkshire moors, even though its distinctive golf-ball radar device can be seen for miles. However, the Ordnance Survey has been negotiating improved security agreements and the Puriton railway line at least is now to be added "in due course."

Such omissions apart, once all the data has been gathered, printing the maps represents a further prodigious task of coordination. One sheet may be completed from 20 or more different overlays, each containing a separate class of information, such as contours, water-courses and place-names, and represented in turn by up to 15 colours, derived from black, yellow, magenta and cyan (a shade of blue). The Ordnance Survey in the final product is illustrated by the fact that the initials of one of its compilers may be discerned, on sheet NN0717 of the 1:25,000 edition, among the buttresses of Ben Nevis.

It may come as no surprise to learn that such artistry and pride is now considered unfashionable by some government circles, where the most alluring quality of the Ordnance Survey lies in its potential for being privatized. At Southampton, cost-effectiveness is now the watchword, profit the goal. Some OS officials privately admit that under its new constraints it would not be able to embark on a series of the quality of the current 1:25,000 edition today. Indeed, one manager, warning his staff, only half in jest, to salt away the maps as investments and mementoes of a bygone age.

As for Beinn an Dothaigh, Danny and I returned to the Highlands in February, equipped with a 1:25,000 map, sheet NN 24/84, copyright 1988. However, we were defeated in our attempt to regain the missing peak by a raging gale. Let it be recorded, therefore, that Munro number 48 has yet to be restored to its place on the list.

As ye sow, so also shall ye reap, feed, prune...

**T**RADITIONALLY, Easter is the holiday when keen gardeners catch up with work outdoors. It falls at a particularly convenient period for using roller on it. Instead, we have had rain, and if you crush the lawn before its first April mowing, thinking that you are levelling the arena for the mower, you will pack down the soil and clamp the roots into a multi-panake. Leave rolling to the groundsmen.

It is still too early to sow seeds, directly outdoors, but you can try my new trick with the seeds of sweet peas instead. It is not actually my own trick. It is the old trick of a spectator who, looking at any elements to which the which looks call "nicking the seeds."

This business is a finely-

such as molybdenum and manganese that are only required in minute quantities. Fertilisers such as Vitax Q4, now readily available, and invaluable to insure that these trace elements are there.

This is an excellent time to feed your lawn and to apply a selective weedkiller to destroy weeds and a moss killer to get rid of the moss which is likely to have accumulated during the winter. There are proprietary products which will do all three things at the same time. The latest of them, the amusingly-named Grasshopper, just launched by ICI,



comes ready packed in an ingenious spreader which dispenses with reels and rollers and is used very much like a watering-can fitted with a rose, except that this dispenser deals with granules and it is impossible to clog the spreader which distributes them.

There is still time to prune roses, though most of them are by now well into growth. For the novice, there is some advantage in this because, instead of having to search for those elusive dormant buds to which to cut back last year's stems, you can take the much easier option of cutting back to a good new shoot. Do not be afraid to prune roses very severely. They thrive on this kind of treatment and, when growing wild, often make much of their best new growth from low down and allow the rest to be starved or even to die.

All hardy herbaceous perennials can be planted now and there is no need to go to the extra expense of buying them in containers if you can obtain good plants freshly dug. They will probably be bigger than

the container plants, a few perhaps big enough to be split and so give you two or even three plants for the price of one.

But beware of plants, most of them imported, which are sold almost bare of soil in plastic bags. Some of them are nearly dead before they are purchased and even the best can be difficult to re-establish. If given such plants, it is wise to pot them individually in a good peat potting compost, place them in a frame or in a sheltered place and keep them watered until they are growing strongly - that is, if they can be persuaded to grow at all.

This is also potato planting time. Perhaps only the more enthusiastic vegetable gardeners will want to grow their own potatoes, since they take up a lot of room and involve a good deal of labour, but many may wish to grow one or two special varieties which are difficult or expensive to purchase.

I have in mind particularly Pink Fir Apple, a very old English variety, and Ratta, an old French variety, which is fairly new to the British market. Both make long, rather slender tubers of superlative quality when cooked, and planting sets of both are available from Marshall's of Wisbech, Cambridgeshire. These, or for that matter any other varieties, can be grown in the peat-filled bags sold primarily for growing tomatoes. The method is the same: the bags laid flat on any firm surface, cross-shaped incisions made 10 to 12 ins apart in the upper surface and one planting set pushed into the peat through each such opening.

All that is necessary after that is to keep the peat constantly moist and after the sixth week of growth to add just a little fertiliser to the water once and Ratta are late in maturing and if planted now are unlikely to be ready for use until September. There is no need to lift the plants even then. A few of the largest tubers can be removed with a trowel or, if in bags, even with the fingers, and the rest left to grow on until stopped by frost.

Arthur Hellyer

However, one can have too much even of a good thing. I have tried, unsuccessfully, to garden on soil that had been poisoned by too much manure and I have also seen crops destroyed by ill-chosen or over-plentiful fertilisers. What is essential for maximum success is to get a good balance in the soil of all the essential chemicals, including those

Conservation

An elegy to English country churchyards



The English country churchyard: Alfriston in Sussex

**A**T EASTER, we must think once more about the churchyard. Is there a best way to look after such an English phenomenon? Caring for a churchyard means practical things.

To start at what it is not. A churchyard is not a private garden nor a public park. It might provide leisure and pleasure but they are not essential. Most people come to tend graves, and for little more. That means that it does not have to look like park or garden, although unfortunately many churchyards contrive to do so. Extensive flowerbeds, with manicured lawns, are unnecessary, and so are birdbaths and shaved lawns. Even roses and shrubs may be excessive. But a seat is a comfort.

The churchyard is a church's setting. Although rare in town, in the country one can hardly conceive of a church without a churchyard. They are a delight to discover as they point up how a church differs from its surrounding buildings.

The prime duty of the church is not to be an ancient monument but a place in regular use for worship. That makes the churchyard much more than an archive of parish history. It has to be the place that demonstrates the immortality of the soul.

The order, control and continuity that the ranks of grave-stones symbolise help us survivors cope by showing how we want our own hereafter to look. The names with which the dead were christened, and their dates, are a comforting reminder that each of us is unique.

Such attitudes underwrite the fierce demand one encounters, especially from those who do not go to church, for burial in

Conservation

An elegy to English country churchyards

the churchyard - a vital paradox of post-Christian England. Of course, it is a legal right, provided the ground is halcyon and the churchyard has not been "closed" (which can happen nowadays by Order in Council because it is full). Otherwise, we all have the right to join the grave parade around the church. We do not have to be Church of England, or have a C of E service, or any service at all.

Grass is the natural thing between graves and over them. How is one to keep it and also

respect the graves and stones that are the core of the churchyard? It is and to be so constrained by the demands of mowing that all the stones have to be moved to the wall. It looks unnatural, and saying that the grass matters more than what is underneath it makes nonsense of the churchyard.

Another bad practice is levelling mound-graves - again, "to help the mowers" - as they mark the parishioners in the parish who were too poor to afford a stone.

How then is one to keep the place trim? The close shave with a spindle mower does not suit; that is park and garden stuff, and it encourages daisies and plantains. A better answer is to use a rotary mower and cut to a height of one to two inches. This looks neat and keeps a spring in the grass.

If done regularly, there is no need to rake up the cuttings. It is also ideal for daffodils and tulips and other wild flowers that will flourish only if mowing is not manicured.

Another possibility is to let

the grass grow longer until you can see the wind (the Holy Spirit) blowing through and cut it perhaps twice a year, in July and September. The grass will become a home for butterflies and moths, rarer flowers, nesting birds and voles, church mice and other small animals. A hay harvest would be one way to satisfy the parson's right of herbage, but the cut grass in the churchyard belongs to him.

To graze sheep is another way, if the churchyard is stock-proof and they cannot damage monuments. Sheep suit the sense of history in a churchyard. They look their role of Christian symbols, calling to mind good shepherds who find lost sheep and a past in which sheep mattered greatly, here and in Palestine.

I enjoy seeing sheep in a churchyard, but it will not support a large flock for long. There should either be just a few of them or a larger number grazed at intervals, as the grass needs.

Would any other animals do? Goats might, but they can leap around on the tombs, which need to be given iron railings to deter livestock (and drunkards, body-masters and courting couples). Fether cattle may suit at intervals but, as The Churchyard's Handbook says: "Their dung is soft and copious." Geese are excellent grazers but can hiss and bite. And there is still the problem of dung.

If your churchyard does not have animals and you dislike wispy grass near the headstones, take shears. Going into Deddington church, in Suffolk, my wife met a woman holding shears. Just before clipping the parents, she said, "The paths of glory lead but to the grave."

Gerald Cadogan

DIVERSIONS

Disunited in the name of the Lord

On the eve of the Easter festival, Kevin Rafferty asks if the UK can claim to be a Christian nation

FORMER Conservative Cabinet Minister once recalled the first time he was selected as a parliamentary candidate. The committee really had only one worry. They wanted to make sure that he was not a Roman Catholic - "because for the majority of Britons, there are only two religions: Roman Catholicism, which is wrong, and the rest, which don't matter."

In this Year of Our Lord 1989, it is a distinction that is fast diminishing as all Christian leaders talk about unity. But on the eve of Easter, the Christian Church's greatest feast, it is tempting to ask if these islands can properly any longer be regarded as a Christian country.

All the figures point to a steady decline in Christian practice in the UK. Most Britons may claim to be nominal Christians because they are baptised, matched or despatched, attended by church ceremonies. But by the acid test of going to church merely once a week, the Anglicans can muster 1.1m believers. The Roman Catholics do better, claiming an estimated strength of just over 4m, but a spokesman admits that only a third go to weekly mass.

Since the war hundreds of churches have closed, some of them converted into offices or flats. The great Jesuit Church of the Holy Name in Manchester, for example, one of Victorian architect Joseph Hansom's (of Hansom cab fame) best monuments, is for sale. One prospective buyer wants to turn it into a nightclub.

of England alone is clearly a mansion containing many rooms. At one extreme, High Church "smells and bells" and ancient liturgy are strangely alien to most practicing modern Roman Catholics. Low churches can be protestantly simple and austere, forsaking ritual.

Christian churches have been talking about unity for years, yet they remain deeply divided. In the 1980s the Methodists were ready to unite with the Church of England, but the Anglicans rejected them. More recently, Anglicans and Catholics have been exploring their common ground. Cardinal Johannes Willebrands, head of the Vatican's Secretariat for Christian Unity, has said that "the one genuine Church of God is found in the Catholic Church," but "the Church of

'Christianity is not about freedom of choice. It is about love'

God extends, though lacking fullness beyond the Catholic Church." However, Catholics say that unity hopes have been dashed by the Anglicans' moves towards ordaining women priests.

Mark Santer, Anglican Bishop of Birmingham and co-chairman of the Anglican Roman Catholic International Commission (Arclio), sadly thinks that Rome is using the question of women as an excuse. "It's a message about conformity and the limits to pluralism, especially to the stropky American Catholic women."

Other Anglicans see the issue of women priests as a small symbol. There are bigger, more divisive issues. The Rev John Moore, general secretary of the Church Pastoral Aid Society, representing the evangelical wing of the Anglican Church, points to major difficulties: the significance of the Eucharist and whether (as Catholics believe and Evangelicals don't) it is the re-enactment of the sacrifice of Calvary; the status of authority; and the role of apostolic succession and teaching, tradition and the Bible.

Bishop David Jenkins of Durham says that papal infallibility is an impossible stumbling block to unity. "Dear old Ayatollah Khomeini has brought that out quite clearly. There isn't no such thing as an infallible word of God or infallible church or infallible authority, and it is a disastrous notion that there is an infallible book with an infallible interpreter."

It is clear from these views that hopes of formal Christian unity are floundering and have probably foundered. Any unity proposals would split the



Spreading the word: top, Bishop David Jenkins of Durham, and Mark Santer, the Anglican Bishop of Birmingham

Church of England. The Anglo-Catholic wing clearly hankers for unity with Rome, which it sees as its true home after a long, painful exile. On the other hand, the Evangelicals and Protestants, representing 35 to 45 per cent of Anglicans, have their stern streak of individual conscience and feel themselves grown-up enough not to need the approval of the Roman parent.

Roman Catholic commentators also think that unity is not going to come soon. One Catholic academic says: "The problem is that this Polish pope isn't really interested in the Anglicans; he's got his eyes more firmly fixed on unity with the Orthodox."

Strangely, both wings of the Church of England see good coming from the Arclio discussions. Bishop Leonard of London talks of a new alignment "as massive as the Reformation." He predicts alliances "between the churches which accept the faith as revealed and given, and those which think they can modify it to successive generations, which, of course, means it has no permanence and it has no judgement, because primarily it is concerned to reflect the mores and culture of the day."

Bishop Jenkins of Durham has a different vision. He believes that Arclio is the last fling of an old order. He rejects the notion of a Rome-centred church, even expressing scepticism about the Pope as the *primus inter pares* among bishops. He goes further and calls for the end of the "male medieval

Mediterranean model of the church" and would like to see a federation of Christian churches. He compares today's church to "an insect, like a caterpillar which is shedding its old skin, but hasn't yet taken on its new form." He argues for "local and regional unities of common believers who regard Christ as Lord in a world which regards their quarrels as unimportant and their faith as irrelevant."

Birmingham's Bishop Santer, spoken of as a possible

'All the figures point to a steady decline in Christian practice in the UK'

future Archbishop of Canterbury, rejects such a loose idea. "Christians are committed to the unity of God and the unity of His truth. You have got to have some means for coping with your quarrels. That's really what the issue of authority is about. I am very suspicious of acquiescence in indifference or mere toleration. That is selling the Gospel short."

Church leaders of all denominations believe that Christian churches have come a long way from the dark days when they had little contact. Among Protestants the Roman Church was mocked as the Scarlet Woman. Even 25 years ago Catholics were told on pain of sin not to go non-Catholic ser-

vices. Today members of Arclio spend a lot of time praying together and go to each other's Eucharistic services.

Perhaps the more impressive change is the work done at local level by the churches together. An outstanding example is Liverpool, "a wounded city," where Archbishop Derek Worlock and Anglican Bishop David Sheppard have established a special caring. Bishops Jenkins calls their co-operation "an immense blessing."

Sceptics still question whether it is too little, too late, and point to the indifference with which most Englishmen regard all churches. Committed Christians of all denominations respond that the Church still has a vital role to play as the conscience of society. Christian organisations, such as Christian Aid and the Catholic Housing Aid Society, are instrumental in tackling vital social issues. Bishops like Jenkins of Durham relish asking the sort of questions about people and issues that society may prefer to forget about.

He says: "In the present climate it is our duty to battle against the idolatrous idea that affluence and consumption - if not quite greed - somehow define wealth. Human wealth must have material elements, but it should be much more closely related to the common life of society on the one hand and to responsible stewardship of the world and its resources on the other. Christianity is not about freedom of choice, it is about love."

Bibliophilia Of beasts, breasts and spitting serpents

THE WORLD changes so rapidly nowadays that you have to replace your guide-books every few years. Nowhere is this more true than in the countries of the Far East, which are being transformed constantly. The unchanging East was probably always a misconception, but the Western images that seemed typical even 20 years ago are already as remote as the Singapore of Raffles or Maughan.

In former centuries, travel writing enjoyed a longer shelf life. The early voyagers who rounded the Cape of Good Hope were not in search of pleasure but of profit and of the pre-requisite, information. Their accounts of their experiences were picked-over assiduously by rivals and successors. They also helped to fix impressions in the minds of the countless thousands who never left Europe but who allowed their sons to serve in the private armies and navies of the trading companies. These books were the links between the expansionist empires of Europe and the societies of Asia and Africa which, shortly, they were to subjugate.

One of the most remarkable and enduring was *Voyages and Travels to the East Indies* by Johan Nieuhof, a Dutchman. Published first in 1682, it was already somewhat out of date, since it described voyages that took place between 1653 and 1670. Translated into English in 1774, it was still being reprinted as a useful source book in 1968 when the British had displaced the Dutch as the major power east of Suez. It has now been re-issued as a handsome facsimile by Oxford University Press as part

of its strangely named Oxford in Asia series. Published in Singapore and printed in Malaysia for a world market, the book is itself an example of the changing nature of the Far East trade. The price in UK is £50.

Nieuhof spent 16 years in the service of the Dutch East India Company. Earlier, he had taken part in an expedition to Brazil, where the Dutch found the Portuguese too strong, and he attended the first embassy to China in 1655. But it was the countries of the Indian Ocean that he knew best. His book is concerned mainly with the peoples, plants and animals he encountered at the Cape along the coast of India and, particularly, in the East Indies.

The book was edited by his brother from notes and drawings after Nieuhof was killed during a voyage to Madagascar, and it contains invaluable ethnological information about the peoples of the East in the early years of the European impact. Nieuhof was a plain man with a soldier's eye for the facts. There are no anthropophagi or men whose heads do grow beneath their shoulders, although I was struck about the women of South Africa who were said to hang their breasts over their shoulders. Everywhere, there are fierce wild beasts to be hunted, eaten or killed for sport. The mice are as big as cats and the serpents spit fire. The book is packed with enticing illustrations reproduced from the original engravings, considerable works of art in their own right.

But if love of the exotic took some Europeans to the Indies, the men who financed the

voyages had a clearer objective. I do not know if pepper has an effort-sensational or lustful but, at times when meat was kept for months without refrigeration, pepper made it less disgusting to eat. Nieuhof's book contains loving descriptions of the spice islands and their marvellous fragrant plants.

Nuts and cloves were more valuable than pearls. When Nieuhof made a conquest, either from the Portuguese or from a native ruler, he insisted that an absolute monopoly of the pepper trade should be granted to the Dutch company, destroying without a second thought the livelihoods of local traders and their partners along the old land route.

The technological gap between Europe and the East was not as wide as it was to become in the 18th and 19th centuries, and the superiority of the invaders in weapons was not always overwhelming. Early imperialists were matter of fact in their dealings with the natives. There is nothing here of Europe's civilising mission or of the sense of awe that was later to soften the exploitative nature of the relationship. Nieuhof's book is full of sieges and slaughters, burning of cities and taking of slaves, all recounted in the satisfied tones of a military communiqué. It never occurred to him that any higher justification than success might have been expected.

The Oxford reprint contains an introduction by Anthony Reid.

William St Clair

Wine

Surprises in stock

Edmund Penning-Rowell samples 'vertical' vintages

UNTIL THE late 1960s "vertical" tastings - an ascending vintage range of a grower's or merchant's wines - were virtually unknown except for port. Today, they are much more common. Often surprisingly, they may show certain vintages of a wine less good than the year's general reputation would imply, but more often they can reveal an unexpected longevity.

Three "verticals" attended recently included some noteworthy bottles. The first was a selection of a considerable run of vintages from the cellars of the distinguished Rioja firms of the Basting and Murfeta. The tasting took place the day before they were to be sold at Sotheby's.

Although old Riojas may be found occasionally, they are mostly sold young, the reserves having a minimum of four years' age. Until their new-found international popularity in the '70s, old vintages could be found on bottle neck-labels. They were more like soleras, with the wines kept in large casks and refreshed after being drawn off for bottling and sale.

This tasting included four white Rioja vintages and eight red. The notes here also give the prices made at auction the following day, usually in three-bottle lots.

White: 1950 Reserva - orange tinted, fine old oak, fruity nose, not much flavour (£270 for three bottles); 1936 - smoky nose, more flavour than the 1950, dry with some bitterness, but surprisingly well preserved and drinkable (£200 for three); 1926 - deeper coloured, but less aroma than the 1936, an old-tasting wine with a hint of apples (£200 for three); 1925 - deep colour, vanilla, oak bouquet, maybe slight decay, but much more body than the younger wines, and certainly the best, as the price subsequently confirmed (£210 for three).

The reds had lasted better. Red: 1945 - very brown colour, dry nose, but some fruit underneath (£260 for three); 1958 - fine old claret nose, and fair flavour though showing some decay, but fetched the top price (£230 for six); 1935 - very brown-coloured and it tasted well over the top (£200 for three); 1930 - brown, not much nose, light but surprisingly fruity for age (£180 for three).

1945 - distinctly brown, oak but agreeably sweet (£280 for three); 1919 - very brown (from 1930), with some decay on the nose, but enough body and flavour (£260 for three); 1917 - good colour for 70-year-old wine, more colour than expected, nice fruity bouquet and good flavour (£1,000 for three); 1900 - an amazing wine. No more brown than the others, with fine old claret nose. Elegant, with plenty of fruit, balance and long taste. Held up well on a later taste. The best,

most interesting wine and relatively under-priced (£500 for three). (At such ages there is likely to be a good deal of bottle-variation).

No port shippers has a greater repute than Taylor, and in this vertical it was shown not the longevity of his wines but comparisons with its "declared" vintages and the single-quinta Vargellas wines it began marketing in the late 50s: eight of these and 10 customarily blended declared years. The former are only produced in what, somewhat inaccurately, may be called "off-years".

The wines were served in strict date order, starting with

behind it, but reasonably mature and drinkable - still developing. 1965 Vargellas - fine bouquet, elegant wine, beautifully balanced. For me the best Vargellas shown - 1963 - this former vintage showed its quality: a still powerful wine, emphasising the contribution of the brandy, but not spiky. Not yet fully ready.

1954 Vargellas - big colour for age. Still plenty of fruit, and not excessively spiky. Good. 1950 - brown tinge, some spirit showing. To be drunk. 1955 - lovely rich, complete wine of quality and style. Seductive now but no need to hurry to drink it up.

Taylor says that Vargellas wines are ready for drinking 10 years but, for me, this tasting indicated a considerably longer life would be preferable.



The third tasting was perhaps the most remarkable: a range of 13 Thoirin Moulin-a-Vents from 1926 to 1945 mostly from single vineyards.

Influenced by the annual outpouring of Beaujolais Nouveau, it is a common view that all Beaujolais should be drunk as soon as it is available. This is supported by the fact that at least 80 per cent is fermented by the *maceration-carbonique* process in which grapes in the vats burst under their own weight and undergo a fermentation that makes light, early-to-drink wines. But some of the cru wines, generally headed by Moulin-a-Vent, are fermented in the normal way and given time in cask with Thoirin's up to 15 weeks.

The vintages showed as follows. 1987 - not big colour, fair aroma, oak, not ready. 1986 light, fair nose, but not much to it. 1985 - more oak, more fruit, excellent, well-balanced wine. 1983 - light, past its best. 1982 - good colour, fine, oak nose, full-bodied with a Côte-d'Or flavour, concentrated, very fine. 1978 - some aroma but little character left, drinkable but fading. 1967 - good colour, elegant, fine, long taste. Well-balanced and surprisingly fresh.

1964 - brown colour, but lovely bouquet. Good fruit but acid end. 1962 - brown colour, rich, fruity Pinot nose (although a saucy wine). Flavour comes out of the glass, rich and remarkably well preserved. 1957 - brown-cold, some wood on the nose, still all there but ungenerous flavour. 1949 - lovely bouquet of roses, delicate flavour, an old, gentle wine.

1947 - Beaujolais' greatest post-war vintage. Very concentrated aroma and deep flavour. Sweet on the palate, an exceptional wine if not very good colour for age. Still showing some tannin and, though perfectly drinkable, lacks the charm of the 1947.

Tales of dark deeds and arch-fiends

Jonathan Sale wallows in historical gore as he peruses chronicles of murder most foul

THEY NEVER caught Rose Harsett's murderer. The Peasehall Mystery, dating back to June 1902, remains unsolved. Bored in his study, William Gardiner - Holly Willie, as the carpenter and choir-master was known to Peasehall - had everything to gain by the girl's death; she was pregnant and he was already married. Was he responsible for the jagged gash across her throat?

Two juries in two trials failed to reach a unanimous verdict and he was set free, although with a stain on his character. A local vicar came

up with the charitable theory that the death was, in fact, an accident caused by Rose falling heavily onto the glass of a lamp in her hand. The theory is possible but no more than that: this is the verdict of *The Murder Club Guide to the Eastern and Home Counties*, just published by Harrop at £5.95. "It is the addition of one more to that long list of undeciphered crimes, the stories of which no man has been able to read truly."

The guides provide "true tales of dark deeds and arch-fiends" on a county-by-county basis. Suffolk is rich in historical gore. Compared with the "classic" killings, the Peasehall Mystery was small beer. It was put in the shade by the Murder in the Red Barn, which places Fobeshead on the map in 1827. The killing of Maria Marten by William Corder led to a trial, conviction and execution and then to a play, sermons and even ballads that were, in their own way, as diabolical as the original misdeed.

They never got the perpetrator of the Ballad of Emma Bolle, one of the nastiest pieces of doggerel that I have come across in all my years as a judge of bad verse: "Be then out ber throat with a razor so keen/The poor

woman's blood on the pathway did stream." Instead, they got a confession out of one Robert Brown, who wielded the razor of Emma in 1876 on Midsummer's Eve in Cambridge. I am glad I did not know that when I lived near there as a student.

Brian Lane, the Guide's editor, is by no means bothered that a murderer was once committed in the churchyard at the bottom of his road in south London. Some people collect jam-jars; he collects killings. He also collects members of the Murder Club: 400 of them at the last count. For 235 (sent to 35 North Audley Street, London W1) they receive its macabre badge, a certificate of membership decorated with death figures plus scythes, and a bulletin bringing a round-up of homicidal matters. They also have a chance to connect their own "Cabinet of Crime" to contain reprints of deathly documents.

For a man steeped in centuries of (to quote the Guide's index) "hanging in chains" and "throat cutting" and "pressing to death" and "dismemberment" and "bindgeomet" and "singeing", Lane is oddly sane. To anyone looking for a psychopath, he is a complete disappointment. For one thing, he is against capital punishment: see the section



called "Hanged in Error." For swiftness, in the 1960s he used to run a travelling theatre company under the name of Rainbow Day, Brian Lane and the First Dream Machine which is not the mark of a gloomy obsessive. Is his a morbid interest? He pleads not guilty. "Man's blacker side has been the stock-in-trade of story-tellers since time began. It is the same kind of interest that is shown in acts of heroism;

people are put to the supreme test.

"Murder is the ultimate crime. As far as anyone can be pushed, if one accepts the premise that people are more likely to be murdered by members of their own family, then one is looking at the structure of human relationships. With bank robbery, one is only looking at need or greed."

He believes that changing laws and social conditions mean the "classic" murders of the past would not be carried out in the same way today. "If, in 1910, an relaxed divorce laws had existed, I wonder whether Crippen would have had to kill his wife?" and that the abolition of hanging has taken some of the drama out of murder trials. Today, there are no great barriers around to match the legendary Edward Marshall Hall (who is resurrected in the present BBC2 series, *Shadow of the Noose*, on Wednesday).

Says Lane: "The Victorians were known as the great users of arsenic. Why? Because of the range of products from cosmetics to sheep-dip containing arsenic. There was enough arsenic on a farthing fly-paper to kill an army. But today, I can't think of a recent arsenic case."

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HOW TO SPEND IT

The problems of being too rich

Could you handle the odd million or so without too much aggro? Lucia van der Post visits a support group for those who have a little more difficulty

Right: Navy and white checked pure wool jacket (2200) worn with navy blue and white checked shorts (1100), both by Paul Costelloe from Options departments at Austin Reed, 102 Regent Street, London W1 and Options branches in Leeds, London's Cheapside and Knightsbridge, Birmingham and Edinburgh. Can be crisped up with a cotton shirt or softened with a soft navy blue and white spotted chiton blouse.

Short shock

SHORTS ARE coming off the beach and the tennis courts, out of the countryside and the mountains to stride about the city. Needless to say these are shorts with a difference.

Nothing too short or vulgar, no floppy towel-like styles, no heavy towelling or elasticated polyester but carefully tailored long Bermuda-like shorts, in Prince of Wales checks, pure wool or fine gabardine.

Last year shorts made a tentative appearance in the more formal world of the city street and the office but, though designers had shown them everywhere, it was only the brave few that took them up. This year they are everywhere.

If strictly cut in suitably formal fabrics and worn accompanied by city-smart jackets they look perfectly at home behind the computer terminal, at the office desk, at the working lunch. They look newer, fresher and smarter than the classic city businesswoman's suit but the key to giving them an appropriate air of formality and ridding them of any hint of the sporty or the provocative is to team them with thick cotton or lycra tights in a matching, not contrasting, colour and to wear them with flatish matching dark pumps - high heels with shorts simply look tacky.

This year there are city shorts all over town - from top designer names like Karl Lagerfeld, Paul Costelloe, Armani and Yves St Laurent to Escada, Nicole Fabri and Ally Capellino.

Right: Austin Reed has produced its own line of designs for the working woman with the label Austin Reed International. Prices are, on the whole, just below those of the big designer names but offer excellent quality. Sketched here is the ARI interpretation of the shorts look for summer - navy and white checked cotton cuffed shorts (2200) worn with a plain navy jacket (1100) with gold buttons (2200). In Options departments at Austin Reed in Regent Street, Knightsbridge and Edinburgh.



Drawings: Margaret Keedy

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From Thomas Burberry, puppytooth cotton Bermuda shorts with turn-ups (1400), worn with a neo-decorated jacket with a fast belt (1100). He wears a navy wool blazer (1100) and loosely cut cotton drill trousers (1200). Thomas Burberry shops are at 165 Regent Street, London W1, in the Haymarket, London SW1 and next to The Scotch House, Knightsbridge, London SW1.

Advertisement for Audemars Piguet watches. Text: 'THE MECHANICAL MASTERPIECES. CHICKEN AND lamb are the traditional meats for Easter celebrations and most of us are more than happy to have them simply roasted in the classic fashion. The only trouble is that the first of the new season's lamb comes with a pretty inflated price tag, and not many butchers stock the sort of flavoured bird (free-range and properly hung after slaughter) that you need for a memorably good roast chicken. Roast chicken also calls for lashings of butter to cook the skin to a crackle of gold and to dress numbers of people these days give a faint shudder at the thought of so much cholesterol, while the rest of us feel a mite repelled by the way the health lobby disdains that luscious, golden skin, stripping it from the lean white meat and pushing it to the side of the plate as though it were some tasteless garnish. If the Easter feast is to be a happy and harmonious occasion this year it might be wiser to choose a less contentious dish, perhaps. I suggest this aromatic and soothing risotto as a peace offering acceptable to all. It is relatively low in fat, which ties in with the healthy eater's call for less meat and more fibre in the diet. Yet there is no hint of Lenten penance about it. This is a celebratory risotto and full of the fresh tastes of spring. It is also good news for the cook who is reluctant to spend long hours tracking down a shop selling splendid, organically reared birds: this is not a "chickeny" chicken dish, as roast chicken is, so the recipe works perfectly well using bland and convenient supermarket chicken portions. On the other hand, it is worth using home-made stock, not a cube, if you can.'

IF YOU earn your daily crust - but way you may find this hard to believe, but there are people in this world who find that being rich can be a big problem. Most of us can understand that being mega-rich like, say, Croesus or Cnossus, might bring a few troubles in its wake, but surely, I can almost hear you say, we could all handle the odd million or two without so much as a sleepless night.

Of course, some wear their wealth easily. They are dab hands at enjoying it, using it, investing it and even giving it away. Others - possibly because they have inherited their money and therefore feel guilty for having it - find that wealth brings its own set of, if not problems, then responsibilities.

These people, it is true, tend to be among the more thoughtful, the more caring, the more sensitive types. They believe that money can be used creatively and constructively, and they want to learn how.

What they most need is a support group - a group that will help them make their money a force for good, both for themselves and for others, a group with which they can share problems, exchange information and discover creative ways of giving some of their wealth away.

If you have inherited your money and therefore feel quite right, or have found that the Thatcher years have been good to you and you are now in a position to put some of it back into the community, you might like to know about an organisation called Network.

Network is a support group at which you can "come clean" about your wealth. As one member, who inherited a great deal of money very young and felt very guilty about it, put it: "None of our friends know we are rich. Coming to Network was for me almost like a gay person 'coming out.' At last I could talk about it."

The Network brochure describes its purposes admirably. "Having surplus wealth presents enormous opportunities and challenges to use it to make the world a better place - and at the same time brings burdens of responsibility and guilt. The complications of the Network for Social Change real-

ised that by bringing such people together, a huge reservoir of energy and experience can be tapped.

People with wealth and social consciences can, by working together, do far more than they can as individuals. In addition the possession of wealth can bring problems such as isolation and a feeling of not knowing what direction to take - or whom to share the problems with.

At the moment some 60 people are involved with Network. They come from all sorts of backgrounds and families, and are all sorts of ages. Some are quite young and, having inherited money early, find it alienating and disorientating to be different from the rest of their peer group. Others came into money later in life, didn't have the first idea of how to cope with it and are in search of practical help. Yet others have, very cheerfully and proudly, made money on their own and now want to find ways of using it to best effect. What they all seem to have in common is an enormous enthusiasm for giving it away - not necessarily or indeed usually all of it, but small portions that they really believe will help others less well placed.

Perhaps the best advocate for Network's aims is Prue Hardwick, whose father owned The Lygon Arms hotel in three-and-a-half-acre Gloucestershire. When her father sold the hotel, she woke up to find that instead of having to watch the pennies like everybody else, she and her husband suddenly had more wealth than they had ever dreamed of.

"We were shell-shocked. It was such a change. We wanted to make sure that we used the money well, so we needed to discuss things with others in a similar position, who had had experience of money and what to do with it. We needed a good merchant banker, a good solicitor, we needed to know how to make trusts. We needed to discuss with others how it might affect the children. After all, we only got money when we were grown up, so we didn't know what it meant to grow up with money.

"We have made tremendous friends through Network - it's not only supportive, it's great fun. We take the children to

the twice-yearly weekend conferences and they love it. Above all it has provided us with a way of funding projects that we really believe in. We can see what happens to the money we give.

"For example, my husband Andrew has got very involved in a project at the Women's Centre in Castleford, which grew out of the Women Against Pit Closures movement in the coal mining industry. The place is marvellous, it buzzes all day long with 200 to 300 miners' wives taking class-

the money than just hand it over to established charities. "I wanted to feel my money was really making a difference."

For this reason Network concentrates on small projects in three main areas - Peace and Preservation of the Earth Health and Wholeness, and Human Rights and Solidarity. Network tries to ensure that small amounts of money are used effectively. It does this by providing "seed" money for small projects and by drawing on the experience of the successful entrepreneurs in

the desire to see a connection between the money one gives and the real difference that it can make to disadvantaged people or communities is very human, which is why these days many believe that charities are more beautiful when they come small.

Those who believe in giving their biblical tithe to smaller, more intimate projects might like to consider The Prince's Youth Business Trust, which has helped some 5,000 small businesses. With grants of as little as £1,000, unemployed or otherwise disadvantaged 18- to 25-year-olds are helped to set up their own businesses - which for many is the only way out of a dreary cycle of unemployment, drudgery or even crime.

Most of the projects funded by the Trust are those that people can relate to immediately. There is a small photographic company (Cloud Nine) that has developed less expensive ways of taking aerial photographs of your home than using a plane; there is a one-woman ceramic business run by Catherine Abbott, who makes boldly decorative bowls, vases and platters; there is a one-woman, hand-tufted carpet business run by Sandie Ennis, whose one-off exclusive rugs now sell in galleries around the country. If these are the kind of projects you'd like to help get off the ground, write to The Prince's Youth Business Trust, 8 Jockey's Fields, London WC1R 4TJ. Tel. 01 430-6521.

When you next buy a card, think of charity cards. Many people buy charity cards at Christmas - some 10 per cent of Christmas cards are bought from charities - but once the festive season is over sales fall dramatically. Unicef has just launched a campaign to remind the public that charities sell cards all year round; that they can be bought from hundreds of ordinary card shops; and, in the main, they are cheaper than commercial cards.

Unicef has worked out that the charities' 10 per cent slice of the Christmas market brings them £17.5m. If they had 10 per cent of the whole market they would have an extra £31.5m to spend on their projects.



Sandie Ennis started her rug business with £2,000 from The Prince's Youth Business Trust. Ring her on 01-401-2339

ses in basic literacy, studying literature, organising work-shops in computer studies, expanding their horizons in lots of different ways. We visit it whenever we can and it makes us feel very humble to see what goes on there. Tools for Self-Reliance is another project we got involved in. It refurbishes tools to send out to certain Third World Countries. We're also very interested in projects for rain forests.

Another member is Dick Mosse, a successful businessman who, when he sold his business, decided that he wanted to do something more positive and interesting with

the money than just hand it over to established charities the group, such as Dick Mosse, to make sure that all the funds give greatest possible value. If you are interested in joining the Network, write to the administrator, Jo Witney, 143, Holland Road, London NW10 6AX. Membership costs just £50 a year, but each member must be worth at least £250,000 over and above the value of their home, they must already be giving away or will be giving away at least £2,000 a year, and they must be "prepared to look at the personal implications of possessing wealth."

Broilers just ain't what they used to be

But Peter Lewis still has exotic and oriental thoughts about chicken tikka

I SHOP every day and I always congratulate myself privately, even secretly, if I don't buy a chicken; so cheap, so available, so easy and so versatile. But what would my mother have said? For her a chicken was a special treat, perhaps for a special Sunday lunch or a bank holiday. Nowadays you buy it in joints - six drumsticks, four breast fillets, or whatever, it's treated so casually by the supermarket.

Everybody knows now that the chickens are treated very scurvily in order to give us cheap poultry. But do the broilers for eating fare worse or better than laying hens?

Not much in it, apparently. Everyone has become so convinced that chicken is such lower-class cheap food that nobody ever offers chicken any more on any kind of post occasion.

Cog au vin, poulet a la vinaigre, chicken satay, bang bang chicken; these may find their way onto the tables of the west, but when were you last offered roast chicken, just simple as a main course?

The broiler industry offers us chicken by the thousand, by the million, at a knock-down price. Only a fool could ignore this torrent of cheap meat. But I find most birds are a bit small. A roasting chicken ought to be about 4 lbs but

many are only about 2½ lbs - you can braise them, baste them, inject them, skin them, joint them, but they are still just about enough for two and nothing left over.

It has always been thought a mark of quality in British chickens that they should be white. Not necessarily white feathers, but definitely white flesh so poultiers (ah, poultiers) often used to dust them with flour to enhance the effect.

A few years ago, when these pallid, emaciated birds seemed to suggest the chilly regime of the broiler house, came a fashion for the maize-fed bird with yellowed skin and fat suggesting the free run and the country lane. About this time I knew a man who was in the "agribusiness" and who was concerned with setting up poultry farming units in West Africa. He told me that he could provide chickens to about the same size which were yellow or white according to customer's requirements and unaffected by diet. Genetics, he said, were all. I believed him.

I cannot think of any cuisine that does not make wide use of the chicken. I am very partial to chicken tikka. I have never made it myself and have therefore never unlocked its mystery which is that it makes me hallucinate. Not very seriously

and not during my waking hours, but exotically complex oriental dreams always follow chicken tikka. I believe I am not alone in this.

The best chicken I have ever eaten (fancy remembering) was a simple poulet a la creme at the Chapin Fin at Thosney in the Beaujolais. I imagine nobody goes there much now that there is an autoroute to Lyon, but it used to be a famous stop on the Route Nationale. It was (is) one of those places that represent the very peak of simple, generous French cooking. The chickens there are from the Bresse, lightly reared, rigorously controlled, white-breasted and blue-footed - Europe's last

stronghold of the proud-to-be plain chicken. But, you protest, it wasn't plain, it was swartzer in cream. Yes, but that counts as plain to me, because the flavour was predominantly that of chicken, and the quality of the bird, so chubby and tender and full of flavour was the whole point of the dish. This was back in the Fifties, at just about the time that Colonel Sanders of Kentucky was beginning his missionary work on behalf of the chicken.

Nowadays, chicken is very rarely your main course in posh French restaurants. The kind of roasting chicken or broiler you get in the supermarket is the poulet or pullet. The OK chicken which gets

taken seriously by French restaurant chefs is the poularde; a female which has been neutered, instead of turning into a stringy old egg-machine, she devotes her life to contented self-fattening and relaxation. This produces a large amount of pale succulent flesh. This becomes the Poularde braise a la creme d'estragon which has enthralled Bernard Levin (and me) at the Auberge du Pere Bise at Talloires. Or truffled in a pig's bladder at Bocuse, at Pic or chez Point. None of these temples of gastronomy will offer you an ordinary pullet any more.

One of the great classics of French chicken cuisine which is still turned out by these fine fellows is the Poularde a la d'Aloufer. This dish is about as Spanish as a poulet a l'indienne is Indian and it owes its fine Spanish title to one of Napoleon's marshals. Suchet, who was created Duke of Aloufer after some successes in Spain. Wellington kicked him out and was awarded the Aloufer revenues, but Suchet kept the title and France kept the recipe. It's very good and very rich with foie gras and truffles and Madeira as well as a bit of pimento to represent its Spanish credentials. But it is still primarily a dish of chicken at its best. I don't know of anyone in Britain who troubles with this kind of thing anymore.

One of the complaints most consistently made about the cheapest kind of frozen broiler chickens is that their diet of fish-meal gives their flesh a fishy flavour. I suppose one thing you can do with such a bird is to use it in one of those recipes designed to exploit the natural sympathy between chicken and fish.

I am not thinking of poulet aux écrevisses which is one of the world's most subtle and delicate dishes. Paella? Prawns and chorizo sausages are there with their strong and assertive flavours, so why should the chicken be so vaginal? Perhaps the real answer is that you shouldn't have bought such a cheap and abused chicken in the first place, but it's a chance for you not to worry about fishy flavours. Perhaps you are worried, not about fishy flavours, but about salmonella. I have steered clear of salmonella all these weeks because some readers might suppose I know something about it. Like most people without a grounding in microbiology, I speak with ignorance but I do believe that salmonella is killed by cooking. Unless you eat chicken raw or lick your fingers while cutting it up, you should be all right. If you are foolish or stingy enough to buy a frozen bird, freeze it out before you do anything else.



For happiness and harmony

Philippa Davenport chooses a soothing dish for Easter

This risotto is not too course to cook at the end of a long day's outing, particularly if you have organised and weighed out all the ingredients beforehand, but I think that it makes a particularly pleasing choice for lunch. Then I serve no first course but simply follow the risotto with a generous green salad and cheese.

I round off the meal with something light and fruity - such as pears baked in a light lemon syrup, or a compote of pink forced rhubarb scented with orange zest and a drop of orange blossom water, or a thick cold puree of tart apples served under a veil of Greek yoghurt and finished with a scattering of cinnamon fried breadcrumbs or a grating of chocolate.

Chicken risotto with orange, olives and pine nuts (Serves six) 1 lb 2 oz arborio or risotto rice; 1 lb chicken breast fillets (skinned and boned weight); four oranges; 3 oz small black olives, preferably sweet ones that have been steeped in olive oil; 3 oz pine nuts; thyme, bay leaves and garlic; a little olive oil; about 3½ chicken stock.

Cut the chicken meat into quills. Put it into a dish and sprinkle over it the finely grated zest of one of the oranges, a couple of finely chopped garlic cloves, the leaves stripped from, say, half a dozen sprigs of thyme (preferably lemon thyme) and a coarse grinding of pepper. Pour on two generous tablespoons of olive oil, add a couple of bay leaves and toss gently to mix well. Cover and

leave in a cold larder for one to eight hours. If the olives have been steeped in brine, rinse them well to get rid of the bitterness and pat dry. Lightly toast the pine nuts in a dry frying pan to bring out their flavour and reserve separately.

About half an hour before you plan to serve the risotto, bring the stock to simmering point. Squeeze the juice from all four oranges and grate the zest from two of them. Warm a spoonful or so of olive oil in a large, heavy-based pan and stir the rice in it over low heat until the grains glisten. Add the juice and zest of the oranges and cook gently, stirring occasionally, until the rice has absorbed most of the juice. Add a bay leaf, a little thyme and a generous ladleful of simmering stock to the rice

pan and continue cooking gently. Stir lightly as necessary and add another ladleful of stock each time the previous one has been absorbed. After 15 to 20 minutes cooking the rice should be ready; creamy and tender with just a hint of bite to the centre of each grain.

When the rice is almost ready, heat a large frying or sauté pan. Film it with olive oil and when the oil is hot add the chicken and its marinade (minus the bay leaves). Sauté over moderate heat for three minutes or so, shaking the pan and stirring as necessary to cook the meat through and to glid it in places.

Season the chicken with salt, then tip the contents of the pan on to the hot, freshly cooked rice. Use a plastic-bladed spatula to scrape every drop of flavoured chicken juice from the frying pan. Add the olives and pine nuts. Check seasoning and toss gently but thoroughly to mix all the ingredients well.

ARTS

# Grandeur and pathos Moscow style

Arthur Jacobs finds rare Rimsky at the Bolshoi and rare Handel at the Moscow Chamber Opera

IN WESTERN perception the Bolshoi Theatre so dominates the Moscow musical scene that the visitor usually neglects all else. Yet I count the production of a Handel opera, *Imenno*, by the Moscow Chamber Opera, not less remarkable than the Bolshoi's current production of a Rimsky-Korsakov rarity, *The Tsar's Bride*. And the irritation caused by tourists popping their photo-flashes in the course of a Bolshoi performance is not duplicated at the smaller, lesser-known theatre with its more musically-minded public.

*The Tsar's Bride*, a serious historical opera, is in a vein quite different from Rimsky-Korsakov's *Christmas Eve or The Golden Cockerel*, both with strong elements of fantastic comedy. The comparison is rather with Musorgsky's *Boris Godunov* - a comparison brought home when the traditional "Slava" (Glory) tune familiar in that work is thrust forward in *The Tsar's Bride*, the Tsar being Ivan the Terrible and the year 1572. Rimsky evokes less grandeur, but in tuneful pathos and characterisation this rarely fails.

Why, then, is the work rarely mounted? The plot lacks focus. The heroine, Maria, sought in love by two men from her own circle, but selected because of her beauty to marry the widower Tsar, is presented less interestingly than Lyubasha, a rival who tries to poison her. There are other imbalances and the Tsar himself takes no part. But the opera makes sufficient impact in the current Bolshoi production - dating from 1966, the programme still crediting a director now dead, Oleg Moraviev.

Long-running productions are the rule here and the beautifully coloured, unfaded setting of outdoor and indoor scenes is complemented by strong feeling and firm characterisation from the well-known Tamara Sinyavskaya as Lyubasha, E Kudryashenko as Maria, Yuri Grigoriev as the rejected suitor, Gryznoy, and others. Andrey Chistakov was the conductor with an orchestra not rehearsed to the highest point.

The Bolshoi's repertory in both opera and ballet remains heavily nationalist, parading the richness of the Russian musical heritage like a monument. Another Rimsky-Korsakov rarity, *Mlada*, has joined the repertory this year, and current revivals include Dargomizhsky's *The Stone Guest* and Chaikovsky's *Yolanta*, alongside a few Western favourites such as Tosca.

A greater modernity and diversity is on view at the Moscow Chamber Opera - whose official title, for those visitors enterprising enough to seek it out, is Kameralny Muzikalny Teatr. Britten's *Let's Make an Opera* and Stravinsky's *The Rake's Progress* and *The Soldier's Tale* are in its repertory, and an even greater surprise comes with a Handel opera so seldom heard as *Imenno*.

From the centre of Moscow, a 15-minute Metro journey (station: Sokol) takes you to the former cinema which now houses the Chamber Opera. There are only about 250 seats; in the interval, sipping the non-alcoholic refreshment which is such a public feature of Gorbachev's Russia, one only just avoids leaning on a harpsichord. In artistic charge of the enterprise is the celebrated director, Boris Pokrovsky (he directs at the Bolshoi, too). Its principal conductor, Lev Ossovsky, is still doing what would seem in the West to be a fairly old-fashioned Handel, with no vocal ornamentation and with a baritone replacement for an originally female heroic part. But, with Olga Shalayeva as a brilliant and charming Rosmene, the Opera was very well sung and most gracefully and wittily produced.

Unexpectedly, whereas at the Bolshoi all opera is performed in Russian, *Imenno* takes the stage in well-enunci-



Lydia Kovalyova and Yuri Grigoriev in *The Tsar's Bride*

## World of the Immortal Tramp

ONE HUNDRED years old this year, the cinema's Immortal Tramp is to be found today, like many of his fellow indigents, under a London bridge. But the Museum of the Moving Image, despite the trumpling of ten-ton lorries over its roof (otherwise known as Waterloo Bridge), affords Charlie Chaplin a degree of festive privacy undreamt of by other down-and-outs: let alone by the small boy who was born a mile away in Southwark on April 16th 1889.

*The Worlds of a Charlie Chaplin* is a small but perfectly formed exhibition. My precursor on this newspaper David Robinson masterminded the show, and he has made it a painless prologue to what will doubtless be an arduous year of Chaplinmania.

A confession first. My admiration for the little chap with the moustache, bowler hat and baggy trousers is strictly limited. Chaplin's humour seems to me to blend the retarded with the ascetic, his pathos to be largely maudlin. And as a film-maker, his technique is mostly confined to nailing the camera to any spot where it has the best view of himself. (If FT readers are rushing to their pens to protest, so much the better. A year of non-stop Chaplin fever with no debate would be a dreadful prospect.)

Now let us enter the show. Ten out of ten for the fact that at the entrance one is accosted by a real live seen-better-days prostitute in turn of the century garb. "Want a good time, dearie?" she asked me. I did, but I was not sure from the look of her that she could provide it. So I pressed on into "Streets of London," the festival's first themed area. Here amid sepia South London house-fronts, we meet young Charlie, his Ma (who was confined to a mental asylum in 1903), his front parlour, and posters and playbills denoting his first music-hall appearances.

After that, you have an ocular collision with the Statue of Liberty and are ushered into Chaplin's American years. A glass case with the little chap's

costume stands in one corner; the trousers, jacket, cane, hat and shoes. Over in another corner is a row of mock Hollywood palm trees bearing photo-montages of Chaplin's life in Tinseltown. And in the middle of the room, on my visit, was a beaming, life-size Sir Richard Attenborough; who turned out on closer inspection to be the real Sir Richard, shortly to film Chaplin's life.

The exhibition's last section is disappointing. Chaplin's political troubles - he was hounded from America for alleged Communist sympathies - are briskly illustrated: FBI documents and newspaper front-pages bunched into portfolio-shaped displays lining a mock ocean-liner corridor. But once we reach Europe, the show dies on us. The final room contains two pajama jackets (Marlon Brando's and Sophia Loren's from *The Countess From Hong Kong*), a pair of angel's wings (to have been worn by Chaplin's daughter Victoria in his never-made last film *The Freaky*) and Tommy Stacey's distressing bronze sculpture of the Little Man.

But Chaplin himself let us down in later years, and how do you properly commemorate movie-dodds like *A King in New York* or the overrated *Monsieur Verdoux*? (More readers are doubtless hurrying to their writing desks.)

Suffice it that the exhibition is marvellous at its beginning and in its middle. We get a rare sense of time, social history and artistic destiny. And where else on Planet Earth could we see, joined together under one roof, Chaplin's 1913 Keystone Film Company contract (Robinson rightly calls it probably the most famous contract in film history), Chaplin's original handwritten draft of the final speech from *The Great Dictator*, and Chaplin's very own scrapbook, filled with his earliest press notices? The exhibition runs until August 30th. Don't miss.



Charlie Chaplin

Nigel Andrews

## A house where time stood still

THE NATIONAL Trust is often castigated for preserving its historic houses in aspic. A house returned to an imagined point of past glory is deprived of its later accretions, and part of its history. Such drastic action proved unnecessary at the Trust's latest acquisition, Calke Abbey, near Derby, which opens to the public today. Fossilisation had been achieved by generations of owners.

A succession of more or less reclusive Harpur Crewes were loathe to intrude even into the life of their own. Sir Henry, the "isolated hermit," communicated to his servants by letter. As one owner died, the next simply left everything as he found it and inhabited another room.

That explains why the drawing room at Calke is the most perfectly preserved Victorian domestic interior in England. Early photographs show that little has changed since Sir John's death in 1856, after which the room was never used. Furniture, pictures, gilding, pattern and ornament crowd the room: each surface offering a clutter of glass-domed stuffed birds, clocks, figurines and fossils, glass and silver. The shutters remained closed, preserving the florid 1840s white, gold and orange flock wallpaper in near pristine condition. Protected under layers of case and dust covers is glowing yellow silk upholstery. One never sees 19th century wallpaper and textiles of this brilliance: the effect is dazzling.

Harpur Crewes social reticence may also explain why the magnificent Calke state bed, a royal gift of 1734, remained in its packing case for 250 years. (It goes on show, in museum conditions, in June, when further rooms of the house will open.) Its richly embroidered, dark blue and ivory Chinese silk hangings are the most vivid surviving examples of their kind. The bed was only rediscovered - like the house - when Calke's future was threatened by death duties in 1981.

The saving of Calke for the nation in 1984 was in many ways controversial. The large Baroque house, though handsome enough, is not a distinguished piece of architecture. It was built in 1701-2 around an earlier Elizabethan or Jacobean structure - as one contemporary wag quipped, "like Canik House, the thing is done

but nobody did it." William Wilkins the Elder added a portico and remodelled state rooms a century later. Nor are its interiors or contents exceptional - save the drawing room and the state bed. The finest picture in the house is Farnley's "Council of Horses." What the Trust would be preserving seemed well nigh elusive: the character and atmosphere of a house in which time, repeatedly, has stood still.

That decision was made before the future was assured of houses and collections arguably more deserving of public funds - Kedleston, Nostell Priory and Weston Park. Today, £2m for the house and 1,000 acres of rolling parkland seems a snip. Since the Trust took over the house, the park alone, with its deer, chain of lakes and ancient woodland, has proved a popular local amenity.

The project proved a departure for the Treasury, which for the first time accepted agricultural land along with house and park in lieu of tax. It also marks a watershed of National Trust policy. Following the Harpur Crewes lead, it has opted for a programme of "minimum intervention."

Some £2.5m has been spent on making the house look as if no one has touched it. Paint and plaster still peels. The doleful double-height Saloon remains a memorial to the family passion for natural history. Glass cases of nearly labelled specimens of minerals, fossils, shells and antiquities flank the billiard table. Lining the walls are cases of Sir Vaux's stuffed birds and animals, beautifully arranged against illusionistic backgrounds. Anything that moved on the estate was shot, stuffed and mounted, horses excepted. In the hall are the heads of prize cattle arranged like sporting trophies. The sporting pictures in the library, the most congenial room in the house, bear witness to the famous Calke stud.

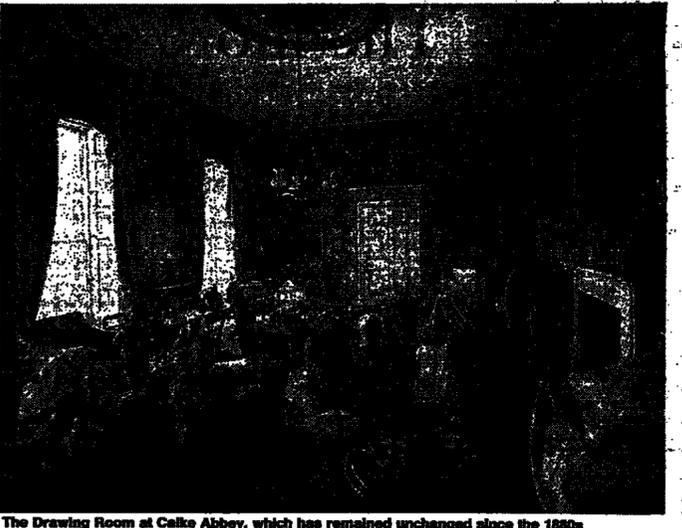
Only two rooms have been redecorated - the carriage room and the dining room. The original schemes of both were "recently compromised." Instead, money has been sunk on treating rampant dry rot, restoring Wilkins' deep overhanging cornice, and replacing the entire third-of-an-acre roof. The mellow brick stables have been overhauled; the agricultural buildings simply refurbished to provide a restaurant and shop.

The Trust has shown considerable skill and sensitivity in preserving the house as it came to them in 1985. That said, it can never be quite the same. The interiors are now clean, the objects dusted. There is a sense of order, neatness and good housekeeping. Much of the junk seems to have been purged - perhaps to return.

So far the Trust has tackled the most straightforward rooms. The challenge lays ahead. How is it going to present what was the most magical part of the house, the sequence of long-abandoned upper rooms filled with haunting still-lives of past possessions and faded memories? Is it possible to feel the same sense of wonder knowing that the entire contents of the house - all 12,000 of them - have been sifted, cleaned and catalogued? Will the romantic decay of the interiors be faithfully reproduced, and sprinkled with dust?

Calke has a subtle charm and fascination quite its own. One suspects, however, that the general public might be disappointed in this particular "big house," its glorious park will be enjoyed by all.

Susan Moore



The Drawing Room at Calke Abbey, which has remained unchanged since the 1850s

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## Records

# A crop of rarities on CD

THE COMPACT disc repertoire has made room for recherché music much faster than anyone was predicting even three or four years ago. That may be because the new medium has burgeoned in popularity so rapidly; at any rate, I doubt whether any year's worth of releases on LP has offered as much for specialised tastes as the current crop of rarities on CD. Here are some recent nuggets, along with some more familiar stuff.

The discovery of four forgotten Berlioz cantatas is a triumph on D minor CD-72886, largely because they are conducted by the old master Jean Fournet. There is no conductor alive with a surer grasp of French style, though there are younger and more famous ones who lead more distinguished orchestras than he is generally invited to do. Jascha Horenstein's position in his later years was similar: respectful invitations from state-supported radio orchestras, far fewer from the international bands. Some day we shall equally regret that Fournet's interpretations have so seldom been committed to record with the very best performers.

Fournet's art lies no less in vital proportioning than in fine details, and his particular success with these cantatas - three of them amounting to juvenilia, the fourth a ludicrous pastiche to Napoleon III - is to make them genuinely exciting, just as Berlioz intended. The earliest, which glorified the contemporary Greek struggle for indepen-

dence, is virtually innocent of Berlioz fingerprints in its musical detail, and yet has all his unmistakable élan: I fear that Fournet's brilliant re-creation may embolden glib attempts by less inspired hands.

The next two, "La Mort d'Orphée" and a scene for bass and chorus on the death of the Emperor, team with pre-echoes of the mature composer, and the 1855 double-choir piece "L'Impériale" displays the Honoured State Artist. Excellent recordings - live, with well-deserved applause - these stirring performances are much more than adequately manned by the Dutch Radio Choir and Symphony with first-rate soloists: Gérard Gervin, an intrepid tenor, and the basses Rudi van der Meer and Lieuwie Visser. No Berliozian should miss them.

Nor should lovers of Fauré, nor anyone who admires ripe musicianship at the piano, miss the collection by Vlado Perlemuter on Nimbus 5105, a rich prospectus which includes most of Fauré's loveliest gifts to the piano. The noble Theme and Variations of 1895 serves as a grand preface to an elevated sequence of masterpieces in chronological order, from the 1875 First Nocturne to the Thirteenth from Fauré's last year. Perlemuter played some of them to the composer him-

self. He was 78 at the time of the recording (he turns 85 this May), and it makes late-night listening of a high order. He doesn't indulge in gleaming pianistic effects in concert one might expect, but at home his serene authority is wholly satisfying. Everything sings, without prejudice to the tough dramatic sinews that hyper-refined performances neglect; every subtle turn of thought is registered without fuss. Younger Fauré's prosy sound arch and wittily by comparison.

A "conservative" composer of a later generation, the once-renowned Hans Pfitzner, has suffered through the (understandable) contumely of Schoenberg's circle. His unapologetic political opinions and character have been counterbalanced by his opera *Palestrina*, which compels disinterested respect; but outside Germany no other Pfitzner work has made a mark.

The pianist Wolf Harden has done him a signal service by recording the 1922 Piano Concerto - his only one - with Heribert Beissel and the CSR Symphony of Bratislava (on Marco Polo 8.223182). Five years earlier than *Palestrina*, it boasts a big-boned, Brahmsian 4-movement structure and a pungently ironic personality. The florid opening not only is,

but is marked "pomphuff" the hunting-Scherzo turns Saint-Saëns into something dangerous and original. This is welcome evidence in a difficult case, with intrinsic rewards of its own. The accompanying music-theatre fragments, earlier and later - a romantic number from *Das Herz*, and the *Christel/lein Overture* - map Pfitzner's heart-on-sleeve fervour and his subsequent dedication into snugs, sentimental routine.

Old Jandacek was tuckered with his sexagenarian Indian summer, when an improbable attachment to a much younger married woman inspired his best music. The *Sinfonietta* has acquired a secure place in the repertoire, and Claudio Abbado's fine performance with the Berlin Philharmonic on DG 427 313-2 brings no special new illumination. But the marvellous song-cycle *Diary of One Who Disappeared* reveals new facets both through Philip Langridge's committed portrayal of its loveborn rustic hero, and through Abbado's taut, nerve-end realisation of an orchestrated version by two Czech musicians. Though it fixes specific readings, inevitably, upon an original pianist that permits different treatments, it is tacitful but also - in Abbado's hands - sharply convincing, without pretending to ape the risky orchestral experiments of old Jandacek himself.

On BIS CD-487 is the Fifth Symphony of Alfred Schnittke, the uncomfortable, tantalisingly eclectic Russian composer who is to be celebrated on the South Bank next weekend. More recent than anything on the South Bank menu, this symphony develops Schnittke's Mahlerian vein (in fact it cannibalises Mahler's early Piano Quartet, and makes *concertante* use of its ensemble) to profound effect, and is grippingly performed by Neeme Järvi and the Gothenburg Symphony. So too his *Pianissimo* of some twenty years ago, an up-to-the-minute orchestral essay which fills its title early on and then grinds toward a wrenching climax: pure Schnittke, ever ready to try new hats for size on his own stubbornly individual head.

The pianist Andrés Schiff lends his exquisitely controlled touch to Giuseppe Scarlatti sonatas on Decca 421 422-2, and to Mozart's concerti K. 453 and 595 on 421 269-2. Whether the soft-edged, melting graces of his Scarlatti playing compensates for the twang and snap of the original harpsichord is a matter of taste.

David Murray

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ARTS

Real Czech drama is offstage

Michael Coveney reports on the dangerous mysteries of Prague theatre

BRITISH AUDIENCES and critics once marveled at the Czech theatre presented by Peter Bamber...

This undoubtedly occurred at Ivan Vyskočil's Haprdians (a titular acronym of Hamlet Prince of the Danes) in the Klub Futurum...

None of this would be of any consequence without the bear-like, irresistible presence of Vyskočil, an actor who is obviously one of the great lost souls of our day...

decaying networks of scaffolding where no work is done, has sapped the lifeblood even from the official intelligentsia.

The event is a lush travesty of Odysseus's return to Fenelope after the Trojan Wars, after the Trojan Wars, after the Trojan Wars...



Elizabeth Hynes and Steven Page

A disappointing Don

Max Loppert reviews a Coliseum revival

THE LATEST revival of Don Giovanni at the Coliseum is an attractive and often impressive performance that never quite adds up or catches fire...

The success, and also the limitation, of the revival seem to find a point of summary in Steven Page's account of the title role...

his master's tricks and exploits many times before is wonderfully weary and rugged individuality...



Ivan Vyskočil (right) with Vlasta Spicarová in 'Haprdians' at the Klub Futurum, Prague

This margin now means prison, where Havel, when he completes his current nine month sentence...

WHEN I saw Anthony Minghella's A Little Like Drowning in the theatre five years ago, I wrote in my diary...

Peasant customs like exhibiting the bloody sheets of the marriage bed are strange to Alfredo, and it is soon clear that back in England he will find customs of his own to observe...

attend the marriage of her two daughters, where a kind of reconciliation is contrived. The thought is sympathetic, understanding, and deeply sentimental in the Italian way.

luck I had with some of the rest of the week's drama, if only to express my amazement that such stuff can make its way past the Head of Drama...

occupied by HM Forces. Later on, Jenkins does it again and the towns disappear, though in fact simulacra have been placed from a parallel world...

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Advertisement for Chess, featuring a list of chess problems and solutions, including 'PROBLEM No. 765'.

Advertisement for Chess, featuring a chessboard diagram and a list of chess problems and solutions.

The Pajama Game

Frank Lipsius reports from New York City Opera

THE New York City Opera is finally casting its musical comedy veterans in major parts. Now into its fourth year of introducing the musical into its summer schedule...

head count. The best moments seen copied from the original, as when Sid sings 'Hey There' into his dictaphone machine...

The New York City Opera has become an alternative Broadway for musicals like The Pajama Game, which deserve another look that would never get one downtown on Broadway...

Advertisement for Christie's, featuring a violin and text about the 'Pick of the week at Christie's'.

SPORT

Golfing triumphs and emotion

Ben Wright picks some magic moments in the life of a golf scribe

WHEN COMMISSIONED recently to write a detailed account of the 10 most moving incidents I had witnessed in 35 years as a professional observer of the golf scene, I thought to myself - that's simple enough. Unfortunately, it was anything but that. In merely reducing the selection to such a shortlist I quickly began to realise the embarrassment of riches that we globe-trotting scribes perennially enjoy or, more truthfully, take for granted.

Some general conclusions emerged from my deliberations that were quite salutary, however. There is much talk, for instance, most of it emanating from the office of USPGA Tour commissioner Deane Beman, to the effect that his Players' Championship, decided at the Tournament Players' Club at Sawgrass, near Jacksonville Beach in Florida, last week-end, is worthy to be seen as the "fifth major championship" of golf.

more believable credentials as a major event, in that the team spirit and sportsmanship it engenders combines with the new nature of the event as a contest instead of a walkover to produce golf of a higher level of sustained excellence than can possibly be expected of any individual. As such, it is even starting to catch on belatedly in America, although not, alas, with the three major television networks. The US cable network will carry the 1989 match. The Belfry on all three days and again every evening, however.

my list, as are the emotional scenes that occurred thereafter. It seems sacrilegious to accord our Open only one more honourable mention. But in this area I was so spoiled for choice that I opted for Roberto de Vicenzo's eventual triumph at Hoylake in 1957 after so many years of frustration, albeit frequently by the narrowest of margins. Runner-up Nicklaus, with whom I was standing at the green as Roberto stroled down the 18th fairway, was moved to tears as, needless to say, was I.

But, in purely emotional terms, I found myself more moved by Ben Greenshaw's overdue Masters' victory in 1984, the astonishing sixth victory of Nicklaus there in 1986 at the age of 46, and Sandy Lyle's incomparable winning bunker shot last year.



Seve Ballesteros: one of the greats

The amateur game has largely become a stepping stone to professionalism

to move to America for several months to try to survive the various area and sectional qualifying competitions that are required annually to reduce the original entry of 6,000 players to a more manageable number. Such a youngster would certainly need a sponsor to back such an ambitious venture.

The fact that amateur golf on both sides of the Atlantic has largely become a stepping-stone to the professional ranks is a sad fact of modern life. So, desperately exciting as it was, with fans hanging from the chimneys-pots down the right-hand side of the last fairway, our rare Walker Cup victory over the Americans at St Andrews in 1971 has to yield pride of place to our equally unlikely Ryder Cup victory at Lindrick in 1987, preceded as it was by the desperate squabbling between captain Dai Rees and Harry Wheatman, which seemed to inspire our team.

FOOTBALL, LIKE crime in old-fashioned movies, is virtually impossible to make a profit just by taking the entrance money of supporters week after week.

Holt, Tottenham Hotspur's recently appointed chief executive, says that Tottenham is to become a public company that just happens to have a football club as a subsidiary.

Spurs: the way to the future

Venables, who joined the club after a turbulent but mainly successful stint at Barcelona, has seemingly had plenty of cash to spend. Young hopefuls Paul Gascoigne and Paul Stewart have been acquired at a rumoured cost of just under £4m and Venables has also bought out one but two goalkeepers.

Philip Coggan looks at the way Tottenham Hotspur is exploiting its Stock Exchange flotation

where he is unsuccessful in everything he tries. I remember watching him sprint up the wing for England at Wembley only to fall over at the vital moment when he needed to cross the ball.

potential gainers from the football membership scheme. Synchro Systems, the computerised ticketing subsidiary, will be tendering to supply entry systems under the scheme.

diversification. Stumps sells (surprise, surprise) cricket clothing but also tennis wear and trackuits. Martex imports and distributes ladies leisurewear.

CROSSWORD

No. 6,893 Set by CINEPHILE. Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday April 5, marked Crossword 6,893 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday April 8.

A crossword puzzle grid with numbers in the starting squares. The grid is 15 squares wide and 15 squares high.

When the grid is completed, the across solutions will be seen to be in alphabetical order; but the number of each clue has been swapped with that of another clue of the same length, so that you will not immediately know where the solution has to go. Downs are normal.

- ACROSS
1 Ox, awfully hairy, 's with engineer (8)
2 Epic poem gives help about direction (6)
3 Piece of work dug up after cat mutilated it (8)
4 Cat in an intelligence organisation for a tree (6)
5 A mutiny turned into a test for performer (8)
6 A cat in charge of energy? (6)
7 Prior goes to stake and church gets depression (10)
8 Last word to model about a lot of oysters with conflicting feelings (10)
9 Canvas cover, bored without opening (6)
10 Sen, 502 carat, possibly (8)
11 Some affairs account for expansion of the lung (3,3)
12 Post solvers, please go first (5,3)
13 Seem to manifest oneself (8)
14 Rescind a comrade's entry (8)
15 Palestinian painter's alternative to oil (6)
16 Musical go-now seen in light that's unusual (6)
17 Indian transport for good boy (6)
18 Just the thing to do with material damage (8,4)
19 Of collars, dog (8)
20 Communist guerrilla takes Nazi paramilitaries on board (8)
21 Leave job and get less without upsetting the yard (8)
22 Extra-curricular task for teacher from New York intruded (6,4)
23 Double output from volcano in Polynesian dress (8)
24 Leave job when cats etc.

TELEVISION & RADIO

SATURDAY

Television and radio schedule for Saturday. Includes sections for BBC1, BBC2, Channel 4, Granada, Anglia, Border, Central, Channel, S4C Wales, Grampian, Radio 1, Radio 2, Radio 3, Radio 4, Radio 5, Ulster, Yorkshire, and TVS.

SUNDAY

Television and radio schedule for Sunday. Includes sections for BBC1, BBC2, Channel 4, Granada, Anglia, Border, Central, Channel, S4C Wales, Grampian, Radio 1, Radio 2, Radio 3, Radio 4, Radio 5, Ulster, Yorkshire, and TVS.